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CALIFORNIA OIL & GAS PROCESS REVIEW TEAM

FINAL REPORT

March 14, 1995

U.S. Bureau of Land
BUREAU OF LAND
MANAGEMENT ONSHORE
OIL & GAS NATIONAL
PERFORMANCE REVIEW

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CALIFORNIA OIL & GAS PROCESS REVIEW TEAM

FINAL REPORT

March 14, 1995

EXECUTIVE SUMMARY OF THE CALIFORNIA OIL AND GAS PROCESS REVIEW TEAM

We are pleased to report that we have accomplished our goals for the California PRT in less than one year and herewith present our final report for your review.

INTRODUCTION:

In December 1993, a National team was established to undertake a performance review of the Bureau of Land Management (BLM) Onshore Oil and Gas Program. This effort was driven by two Presidential Executive Orders issued in the fall of 1993, requiring the elimination of one-half of the Executive Branch internal regulations and the setting of customer service standards.

In January, 1994, the California Oil and Gas Outreach/Interagency Coordination Process Review Team (PRT) was initiated to investigate and determine streamlining potential for oil and gas operations as well as to identify areas of regulatory redundancy (duplicative and contradicting regulations) within the Bureau. The California PRT Charter and Action Plan were approved on August 30, 1994 (see Attachment 1).

Under the Charter, the California PRT committed to the following:

- Review the function/benefits of the California Oil and Gas Work Group (Technical Issue Resolution Team).

  Oil and Gas Work Group (OGWG): A work group, comprised of representatives from government, California Oil, Gas, and Geothermal Resources (CDOGGR), and the oil and gas industry, was established on April 20, 1992, in an effort to improve efficiency and reduce/streamline regulations. The work group is responsible for timely resolution of issues brought out at the annual Oil & Gas Industry Conference and BLM/CDOGGR quarterly meetings, and to help facilitate the sharing of information between the BLM, CDOGGR, and the oil & gas industry. The work group also develops and oversees subgroups to ensure the timely resolution of issues.

- Review all on-the-ground regulations and policies and identify those regulations that may be redundant or obsolete. Then, recommend steps to improve such regulations.
- Conduct workflow/workload analysis to determine the degree of regulatory duplication between State and federal agencies in relation to oil and gas operations.

Following is a brief summary of the California PRT:

PROCESS:

In order to accomplish the goals of the NPR, two groups were formed: 1. NPR Core Team consisting of federal employees and CDOGGR (see Attachments 2A and 2B), and 2. Ad Hoc Team (customer based) consisting of four trade associations (Western States Petroleum Association (WSPA), Independent Oil Producers Agency (IOPA), California Independent Petroleum Association (CIPA), and Rocky Mountain Oil and Gas Association (RMOGA). These major organizations agreed with the basic objectives of the California PRT and provided constructive input (see Attachment 3A, 3B, and 3C).

A three phase approach to accomplish the objectives of the California PRT was identified:

Phase I) Outreach: Package and transmit Bakersfield's existing Oil and Gas Work Group Model to WO for potential export to appropriate Bureau Offices involved in oil and gas activities.

Current Status: The OGWG was evaluated and was determined to be an effective tool, as measured by the following criteria:

1) the total number and frequency of complaints to the Area Manager, District Manager, State Director, and Washington Office,

2) customer/operator understanding of federal laws, and their subsequent compliance with such federal regulations and BLM guidance as measured by the number of Incidents of Non Compliance and written orders of the Authorized Officer,

3) number of State Director Reviews and Interior Board of Lands Appeals, and general customer feedback.

A preliminary Outreach Package is enclosed for your review (see Attachment 4).

Phase II) Policy and Guidance/Regulatory Review: Review and analyze the existing multi-agency regulatory environment. Test ideas or any proposal to modify or re-interpret duplicative/conflicting regulations as requested by other agencies.

Current Status: A comprehensive workflow analysis was conducted to identify all regulatory agencies involved in oil and gas operations and to determine the degree of duplication among those agencies (see Attachment 5).

After identifying these agencies, and with input from the OGWG, there were nine regulations identified that were conflicting/duplicative or unnecessary. Three Instruction Memoranda (IMs) were developed (see Attachments 6-8) to resolve some of these nine issues. These IMs are pending WO approval.

Phase III) Testing Regulatory Streamlining Models: Prepare and adopt a proposed mechanism between the CDOGGR and the BLM.

Current Status: A preliminary proposed mechanism between the BLM and the CDOGGR has been developed (see Attachment 9) to streamline oil and gas operations in California by authorizing CDOGGR to perform I&E functions on certain FOGRMA Low leases. This proposal will be based on a one year experiment. If this proposal is successful, I&E responsibilities on those FOGRMA low leases could be transferred permanently to the State.

The success of Phases II and III will be measured by the following criteria:

1. Customer satisfaction/feedback
2. No negative impact on royalty
3. No environmental degradation
4. No adverse effect on health and safety

FINDINGS:

1. The Oil and Gas Work Group has become an effective medium to resolve technical issues between the BLM, State, and the oil and gas industry. Following are some of the technical issues that were resolved through this group:

   - Surface Casing Requirements
   - Blowout Preventers/Diverter Systems
   - Oilfield Surface Impoundment Closure Requirements
   - Idle Well Policy
   - Well Abandonments

2. The workflow analysis revealed that there are at least 13 other federal and state agencies (see attached chart) regulating oil and gas operations in California. Further review of their operations revealed the extent of duplication/redundancy by each of these agencies which causes delays and unnecessary paper work and financial burden on operators.

3. Due to duplicate approval processes between the BLM and CDOGGR, and the involvement of at least 13 other regulatory agencies, the following conditions existed:

   - Hostile relationships between the Bureau, industry, and other regulatory agencies
   - Ignorance of federal regulations among operators
   - Duplicative/contradicting regulations

   We identified, with input from the OGWG and other operators, a set of 9 regulations (see attachment 10) that have been a hindrance to the oil and gas operators. We also provided customer feedback based on their input (see Attachment 11).

CONCLUSIONS:

1. The Oil and Gas Work Group has been very successful in developing methods to resolve a number of issues of concern to industry. Specifically, subcommittees have been formed to resolve issues related to Surface Casing Requirements, Blowout Preventers/Diverter Systems, Oilfield Surface Impoundment Closure Requirements, Idle Well Policy (Classification/Testing Requirements), Annual Joint Meetings, Well Abandonments, and others.

   The OGWG has also served very well to improve communication and working relationships between the BLM and other regulatory agencies such as the CDOGGR. It has also provided for more efficient decision making within regulatory constraints, which parallels the goals of the NPR. Finally, petroleum industry participants have become more accountable for management issues and decisions because they were involved in the decision process from the beginning.

2. The Workflow Analysis Chart has become an effective tool for our office to identify all of the regulatory agencies involved in oil and gas operations to eliminate duplication/redundancy.

3. The 9 regulations that were identified by the industry as being duplicative/unnecessary have been presented to the WO for their review. Three IMs have been developed and are awaiting WO approval.

4. The proposed mechanism between the BLM and CDOGGR creates efficiencies and prevents duplicative work, while at the same time it allows for sharing/cross training of personnel when possible. It is an excellent opportunity for the BLM to follow through on its commitment to reduce regulatory burdens on our customers.

RECOMMENDATIONS:

1. Establish technical issue resolution teams at all other Bureau Offices with oil and gas responsibilities. The structures of the teams could parallel California's existing Oil and Gas Work Group Model, or they could be modified depending on local conditions.

2. Identify policies/regulations that impose unnecessary costs to the operators and may be resolved by reinterpreting/waving/variance without compromising the intent of the regulations. Solicit input from the local oil and gas trade associations.

3. Approve the California proposed mechanism to be adopted as a Standard Operating Tool to eliminate duplicative regulations and to streamline oil and gas operations on federal leases in California.

   Adopt the California proposed mechanism as the model for the process of transferring jurisdiction from the BLM to the various states.

4. Perform Bureau-wide workflow analyses to reveal duplication and unnecessary regulations among other federal and state agencies. Work closely with these agencies to take remedial actions, as appropriate.

If you have any questions or need additional information, call Nick Douglas at (805) 391-6131. You may also contact the following core team members:

Silvet Holcomb	(805) 391-6137
Jeff Prude	(805) 391-6140

Charter
for the
National Performance Review's
"California Laboratory: Outreach and Interagency Coordination"

Prepared for:

Bureau of Land Management
U.S. Department of the Interior

Project Sponsor:

Erick V. Kaarlela, Group Leader
Fluid Minerals Science Group

Submitted by:

Delbert Fortner, Project Team Leader

Dated: 9/7/94

Ron Fellows, California Lab Team Leader

Dated: 9/7/94

Approved by:

W. Hord Tipton, Assistant Director
Energy and Mineral Resources

Dated: 8-30-94

ATTACHMENT 1

CHARTER
NATIONAL PERFORMANCE REVIEW
CALIFORNIA LABORATORY (OUTREACH AND INTERAGENCY COORDINATION)

July 28, 1994

OBJECTIVE: The Bureau of Land Management along with collaborative partners will design and test processes for oil and gas management that meet the needs of its customers, encourage creative solutions and ensure that processes are continually improved to achieve maximum efficiency. The three-phase approach in conducting the laboratory is summarized as follows:

- **Phase I - Outreach:** Export Bakersfield's existing Oil and Gas Work Group Model and process.
- **Phase II - Regulatory Review:** Review and analyze the existing multi-agency regulatory environment.
- **Phase III - Testing Regulatory Streamlining Models:** Pilot testing of alternative improved regulatory and operational environments.

IMPLEMENTATION: Interface with other regulatory agencies, and parallel initiatives (e.g., Oil and Gas Work Group, California Oil Survival Team, Western States Petroleum Association (WSPA)/Cal EPA Task Force, etc.) in identifying all areas of duplication within oil and gas operations in California between BLM, DOE (Elk Hills Naval Petroleum Reserve), California Division of Oil, Gas, and Geothermal Reserves (CDOGGR), and other State and County agencies.

PROJECT TEAM: Ron Fellows will be the Team Leader of the Bakersfield Lab.

COORDINATION: Potential lab partners would include CDOGGR, Minerals Management Service, Environmental Protection Agency, the Department of Energy, California Independent Petroleum Association, Independent Oil Producers Agency, WSPA, and other major oil and gas companies.

SUNSET PROVISION: This team will sunset upon completion of the Test NPR Laboratory Design with a report to the Secretary of the Interior, anticipated for May 1996.

Submitted by:

Delbert Fortner, Project Team Leader

Ron Fellows, California Lab Team Leader

Approved by:

W. Hord Tipton, Assistant Director
Energy and Mineral Resources

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Caliente Resource Area
3801 Pegasus Drive
Bakersfield, California 93308-6837

3100
(CA-018.97)

MEMORANDUM

To: WO-NPR Project Team Leader

From: California Process Review Team Leader

Subject: Charter and the Action Plan for the California Oil and Gas Outreach/Interagency Coordination Process Review Team

Attached is the revised Charter and the Action Plan for the California Oil and Gas Outreach/Interagency Coordination Process Review Team (PRT).

If you have any questions or comments regarding the subject Charter, contact Nick Douglas at (805) 391-6131.

Attachments

REVISED COPY

3100
(CA-018.97)

MEMORANDUM

To: WO-NPR Project Team Leader

From: California Process Review Team Leader

Subject: Charter and the Action Plan for the California Oil and Gas Outreach/Interagency Coordination Process Review Team

Attached is the revised Charter and the Action Plan for the California Oil and Gas Outreach/Interagency Coordination Process Review Team (PRT).

If you have any questions or comments regarding the subject Charter, contact Nick Douglas at (805) 391-6131.

Attachments

CHARTER AND THE ACTION PLAN

BUREAU OF LAND MANAGEMENT
ONSHORE OIL AND GAS
NATIONAL PERFORMANCE REVIEW

CALIFORNIA'S OIL AND GAS
OUTREACH/INTERAGENCY COORDINATION
PROCESS REVIEW TEAM

Submitted:

____
Delbert Fortner
Project Team Leader

Dated______________________

____
Nick Douglas
Process Review Team Leader

Dated:______________________

Approved by:

____
W. Hord Tipton
Assistant Director
Energy and Minerals

Dated:______________________

MISSION

The Bureau of Land Management, along with its collaborative partners, will design and test processes for oil and gas management that meet the needs of its customers, encourage creative solutions and ensure that processes are continually improved to achieve maximum efficiency.

The three primary objectives of the Bureau of Land Management's fluid minerals leasing and reservoir management programs are to:

1. Promote/Maximize oil and gas production and development.
2. Ensure environmentally acceptable activities in all operational aspects of the programs, and
3. Ensure conservation of the oil and gas resources, as well as other resources, within the context of Ecosystem management.

OBJECTIVES OF BLM PERFORMANCE REVIEW

The primary objective of the BLM Oil and Gas Performance Review is to create a government that works better and costs less. Specifically, the goals are to:

1. Simplify and clarify regulations,
2. Eliminate superfluous requirements,
3. Identify a strategy to improve customer service,
4. Establish partnerships with the oil and gas industry, the environmental community, other Federal agencies, and State and local governments, and
5. Improve overall program efficiency.

California Outreach and Interagency Coordination Process Review Team Phases:

California will employ a three phase approach to accomplish the above objectives. The phases are:

Phase I) Outreach: Package and export Bakersfield's existing Oil and Gas Model and process to appropriate Bureau Offices involved in oil and gas activities. This model is a product of the last three years' efforts of the Oil and Gas Workgroup, COST (California Oil Survival Team), and industry co-sponsored Annual Oil and Gas Conferences.

Phase II) Policy and Guidance/Regulatory Review: Review and analyze the existing multi-agency regulatory environment. Test ideas or any duplicative/conflicting regulations as requested by other agencies. Have the ability to "re-interpret" regulations with WO approval. (This is also exportable).

Phase III) Testing Regulatory Streamlining Models:
A. Pilot testing of alternative improved regulatory and operational environments.
B. Increase data sharing with other federal and state agencies.
C. Finalize and adopt the MOU between the CDOGGR and the BLM.

Implementation:

Interface with other regulatory agencies, and parallel initiatives (e.g., Minerals Management Service (MMS), Oil and Gas Work Group, California Oil Survival Team (COST), Western States Petroleum Association (WSPA)/Cal EPA Task Force, etc.) in identifying all areas of duplication within oil and gas operations in California between BLM, DOE (Elk Hills Naval Petroleum Reserve), California Division of Oil, Gas, and Geothermal Resources (CDOGGR), and other State and County agencies. Recognize and participate, as necessary, in other parallel efforts. A concerted effort needs to be made to track the efforts of other initiatives in order to duplication.

The California Outreach and Interagency Coordination Review Team will serve as a testing ground for ideas originating from the following initiatives:

- Minerals Management Service Lab(s)
- Department Of Energy Lab, WO
- Regulatory Review, National Issue Resolution Team, WO
- Lease Sale Efficiencies, WY
- Bonding/Unfunded Liability Issue Resolution Team, CA & MT
- NEPA/Planning Issue resolution Team, WI
- Gas and Oil Incentives Issue Resolution Team, UT
- AFMSS, Santa Fe, NM
- Internal Bureau streamlining initiatives affecting oil and gas activities e.g. R/W permitting, rental issues, etc.
- Public Lands Projects (IOGCC, DOE, COST, etc.)

Timeframe:

The California Oil and Gas Process Review Team will begin testing the proposed streamlined regulations identified as soon as approval is received from the BLM Washington Office and legal opinions are received from the Office of the Solicitor.

All test results will be documented and re-evaluated after a one year trial period. All successful tests will be packaged and reported to the WO for possible export while those which failed will be terminated and returned to operating conditions prior to the test.

The implementation of the eight regulations (Attachment I), for which waivers or revisions are being requested, will be as follows:

First Quarter:	Regulations 1, 2, and 4 will be addressed during the first quarter (0-3 mos.) after approval of the Charter and the Action Plan is received from the BLM WO.
Second Quarter:	Regulations 5, 6, and 7 will be addressed during the second quarter (3-6 mos.) after approval of the Charter and the Action Plan is received from the BLM WO.
Third Quarter:	The remaining regulation 8 will be addressed during the third quarter (6-9 mos.) after approval of the Charter and the Action Plan is received from the BLM WO.
Fourth Quarter and Beyond:	From the Fourth Quarter and beyond, we will be ready to test new ideas from the National Issue Resolution Teams such as Incentives Team, NEPA/Planning Team, Bonding/Unfunded Liability Team, Regulatory Review Team, Wyoming Leasing Team (currently on hold), and the Four Corners Lab.

Outreach Benchmarks:

Outreach: During FY '95:

Meet with Ad Hoc team members to discuss the goals of the California Process Review Team, projects to be tested, time frames involved, etc.

Invite oil and gas personnel from all States responsible for Federal onshore oil and gas operations. Solicit their participation and "buy in" to the California PRT, as they will be greatly affected by any changes that are made to the present Federal oil and gas regulations and Onshore Orders.

Implementation:

This action plan will be implemented upon approval of the Charter.

The California Process Review Team will stay open for 3 years to test any new ideas from industry, and other state and federal agencies. These new ideas can be submitted to the PRT during the next 12 months so they can be tested in the next 3 years.

Following is a list of regulations for which we request waivers or revisions under the California PRT Charter:

1. 43CFR 3162.4-1(c)- Well Records and Reports: This regulation requires the operator to notify the authorized officer within 5 business days after a new well or any SI/TA well is returned to production. The operator may notify us by letter, or they may notify us verbally and follow up with a letter.

   We request that the operator be allowed to submit the notification to the BLM within 30 days or with the first subsequent Monthly Report of Operations (MRO). This proposal will not hamper our I&E efforts or delay the updating of MRO.

2. Onshore Order #2, Section III.A.1. and 2.a.: This section requires that a BOP shall be installed, used, tested, etc. on all wells, and that the BOP and related equipment shall meet certain minimum standards.

   We request that Onshore Order #2 be modified to allow the use of a diverter system on conductor pipe in lieu of a BOP on surface casing in areas which meet the following conditions:

   a. Shallow wells with incompetent formations and low reservoir pressure.
   b. No "additional resources" to be protected, e.g. absence of uphole mineral potential, water aquifer, etc.
   c. Thermal recovery (steamflood) areas.

   In areas meeting the above guidelines, attempting to control a steam kick in a well using a BOP is very risky and is likely to result in a steam breakout at the surface with serious health and environmental consequences. Subsequent to several meetings with industry and a review of a technical report they prepared, we began granting variance requests in California for areas which meet these conditions (Note: A copy of the report is available upon request). The regulations should acknowledge that use of a diverter on conductor pipe in lieu of a BOP on surface casing is acceptable.

   In areas meeting all of the above criteria except "c", the chance of a kick is even less and the diverter/conductor combination should also be allowed.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow the use of Diverter System on a field-wide basis (see the attached copy of the IM).

3. 43CFR 3162.3-1(g): This regulation requires a 30-day posting period for APDs or Notices of Staking. In effect, this establishes a 30 day waiting period which is often much in excess of the actual processing time required. Because we have not had a single situation that we know about where a member of the public has protested or even requested to see these permits, we propose that this time period be waived.

   CURRENT STATUS: The 30 day posting period is a requirement under the 1982 Federal Oil and Gas Royalty Management Act (FOGRMA). It is obvious that it can not be changed without the approval of Congress.

4. Onshore Order #1, Section III.G.1.: This section requires that all complete APD packages be submitted in triplicate. We propose that the operator be permitted to send one complete copy (with all maps, diagrams, etc.) and one copy of only the APD form itself. The approved copy of the form will be returned to the operator, who would still be required to post a complete copy on location. The BLM PET would make only those copies (s)he needs. This would eliminate a large number of duplicate copies.

5. Onshore Order #4, IIIC.3. Oil Sampling - (take sample before or after gauging the tank, not just after). Onshore Order #4 should be modified to allow sampling before or after tank gauging. This will not have any negative impact on royalty stream.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow oil sampling before or after tank gauging (see the attached copy of the IM).

6. Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-4A: Royalty or Compensation for Oil and Gas Lost) should be modified to treat routine maintenance as an emergency giving operators approval to flare/vent gas without incurring royalty obligation. Under this waiver, operators may flare/vent gas on a temporary basis without approval and without incurring a monetary liability during the routine preventive maintenance of production handling and measurement equipment, limited to 24 hours per month. A longer period may be approved by the authorized officer, when appropriate.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow Routine Maintenance as an Emergency situation without incurring any royalty obligation (see the attached copy of the IM).

7. Variance from minimum standards (An operator may request the authorized officer to approve a variance from any of the minimum standards prescribed in Section III of the Onshore Order #2):

   Instead of granting incremental variance, grant regional (field based) variance.

8. Grant primacy for Inspection and Enforcement responsibilities on certain FOGRMA Low federal oil and gas leases to the California Division of Oil, Gas, and Geothermal Resources for a period not to exceed 1 year.

   If this experiment is successful (i.e., no adverse royalty impacts, no environmental degradation, etc.), after evaluation, recommendation for permanent transfer of I&E functions to the CDOGGR will be made to the WO.

   This plan has been discussed with the CDOGGR and is being finalized in the form of a BLM-CDOGGR MOU. Upon approval, this MOU will be adopted as a Standard Operating Tool (copy of the MOU attached).

9. Leasing and other waivers as requested.

CORE TEAM MEMBERSHIP

NAME	TITLE	OFFICE	PHONE	FAX NUMBER
Ron Fellows	District Manager	Bakersfield District Office	(805) 391-6006	(805) 391-6040
Jim Abbott	Area Manager	Caliente Resource Area	(805) 391-6088	(805)391-6156
Nick Douglas	Team Leader	Caliente Resource Area	(805) 391-6131	(805)391-6156
Silvet Holcomb	Petroleum Engineer	Caliente Resource Area	(805) 391-6137	(805)391-6156
Jeff Prude	Supv. Petroleum Engineer	Caliente Resource Area	(805) 391-6140	(805)391-6156
Dave Moore	Petroleum Engineer	Caliente Resource Area	(805) 391-6135	(805)391-6156
Larry Saslaw	Resource Advisor	Caliente Resource Area	(805) 391-6086	(805)391-6040
Leroy Mohorich	Minerals Division Chief	California State Office/Minerals Staff	(916) 978-4735	(916) 979-2867
Sonia Santillan	Adjudication Chief (acting)	California State Office/Oil and Gas Leasing Section	(916) 978-4818	(916) 979-2877
Joe Chesser	AFMSS Manager	Bureau IRM, ADP, and AFMSS personnel	(505) 438-7407	(505) 438-7456
Ron Montagna	Realty Specialist	Division of Lands/WO	(202) 452-7782	(202) 452-7708
Cathy Hamilton	Chief, Data Management Division	Minerals Management Service	(303) 231-3043	(303) 231-3707
Jo Ann Fitts	Program Analyst	Minerals Management Service	(303) 275-7108	(303) 275-7124
Nancy Johnson	Program Manager for Oil and Gas Expl. and Production	Department Of Energy/ WO	(202) 586-6458	
Edith Allison		Department Of Energy, Bartlesville, Oklahoma	(918) 337-4390	(918) 337-4418
Sam Kalen	Deputy Solicitor	Solicitors Office/WO	(202) 273-4775	(202) 219-1792
Hal Bopp	CDOGGR		(805) 322-4031	(805) 861-0279

AD HOC TEAM MEMBERSHIP

1. Hal Bopp, California Division of Oil, Gas, and Geothermal Resources, (805) 322-4031
2. John Donovan, California Independent Petroleum Association, (805) 633-3119.
3. Michael Sansing, Independent Oil Producers Agency, (805) 765-4038
4. Cathy Reheis, Western States Petroleum Association, (805) 321-0884
5. U. S. Forest Service
6. Environmental Protection Agency
7. Representatives from the environmental community

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Sam Kalen	Deputy Solicitor	Solicitors Office/WO	(202) 273-4775	(202) 219-1792
Hal Bopp	CDOGGR		(805) 322-4031	(805) 861-0279

ATTACHMENT 2A

AD HOC TEAM MEMBERSHIP

1. Hal Bopp, California Division of Oil, Gas, and Geothermal Resources, (805) 322-4031
2. John Donovan, California Independent Petroleum Association, (805) 633-3119.
3. Michael Sansing, Independent Oil Producers Agency, (805) 765-4038
4. Cathy Reheis, Western States Petroleum Association, (805) 321-0884
5. U. S. Forest Service
6. Environmental Protection Agency
7. Representatives from the environmental community

ATTACHMENT 2B

Santa Fe Energy Resources, Inc.

September 29, 1994

SEP 1994
U.S. [illegible]
[illegible] Land [illegible]
Bakersfield, Calif.
California Area

Mr. Nicholas Douglas
U.S. Bureau of Land Management
3801 Pegasus Dr.
Bakersfield, CA 93308

RE: NPR California Laboratory

Dear Mr. Douglas:

Santa Fe Energy Resources (SFER) is responding to your request to identify various BLM regulations or requirements which are overly stringent and not applicable for oil and gas development in this part of the country. We will confine our comments to areas where BLM has primacy for implementing various federal acts. We have identified the following areas where SFER feels that exemptions should be permitted through the NPR California Laboratory process.

ISSUE: Requirement to submit Form 3160-5 for spud, BOP testing and cementing.

RECOMMENDATION: Because this data is already reported verbally to the BLM and summarized on the well history we suggest that there not be a requirement to submit Form 3160-5 for new wells unless there is a significant change to plans (ie; change from straight to directional hole).

ISSUE: Requirement to submit maps showing the lease location with APD's.

RECOMMENDATION: Most leases are in well known and developed oil fields. The requirement to submit a map which shows the location of lease should be eliminated, as the BLM already has these maps from earlier well applications.

ISSUE: Requirement to submit a Surface Use Program, BOP Drawing, Rig Layout Drawing, and Lease (well location) Map with each APD.

RECOMMENDATION: These items do not typically change from well to well on developed leases. We suggest submitting only one copy per APD package regardless of the number of wells in the package.

039.jr4

ATTACHMENT 3A

5201 Truxtun Avenue
Suite 100
Bakersfield, California [illegible]
805/322-3992

SEP 1994
U.S. Dept. of Interior
Bureau Land Mgmt
Bakersfield, Calif.
Caliente Area

ISSUE: Need for a variance from the requirement to install surface casing.

RECOMMENDATION: Surface casing is not necessary to protect fresh water or control wellbore pressures in the Midway Sunset field. We suggest that the requirement for surface casing on leases where there is no usable water and where casing is not required to control wellbore pressures be eliminated. This would eliminate the surface casing requirement on all leases in the Midway Sunset Field.

ISSUE: Requirement for a 30 day waiting period for APD approval.

RECOMMENDATION: Process APD's as soon as work load permits.

ISSUE: Requirement for a Sundry Notice for modifications.

RECOMMENDATION: Sundry notices should not be required for minor modifications within a well defined facility unless previously undisturbed surface is affected, or changes to the measurement or deposition of product is being requested.

ISSUE: Requirement to secure new Right-of-Way's or sundry notices for facility corridor modifications.

RECOMMENDATION: Many pipeline facilities are routed in corridors to minimize the need for surface disturbing activities. Modification within these corridors should not require new Rights-of-Ways or the submittal of sundry notices.

ISSUE: Requirement for a site security program.

RECOMMENDATION: The current site security program is labor intensive and only identifies when there is a discrepancy within the seal system. Companies typically take preventive measures to assure that oil and gas is being handled and accounted for properly such as fencing and/or 24 hour manned operations. Leeway needs to be given to these companies that have a more effective system than the rules mandate.

SEP 1994
Land Mgmt
Bakersfield, Calif.
Caliente Area

ISSUE: Requirement for a 5 day production report.

RECOMMENDATION: The DOG receives this report on a monthly basis. The BLM could get a copy of this report and eliminate continuous submittal of these reports.

ISSUE: Requirement to report fires on Federal leases.

RECOMMENDATION: Fires are reported to the Kern Co. Fire Dept. who has a response time of usually less than ten minutes. Since the KCFD invoices the BLM for their time, this invoice and report should satisfy the needs of the BLM.

ISSUE: Lack of management oversight of BLM staff decisions leading to Endangered Species Act Section 7 consultations with the U.S. Fish and Wildlife Service.

DISCUSSION: The Endangered Species Act does not require consultations for every project. The decision to consult is the BLM's, not the U.S. Fish and Wildlife Service's. This decision should be based on BLM policy, as implemented through its management, with all of the oversight that the term "management" implies. Section 7 of the Endangered Species Act requires project applicants to consult with the U. S. Fish and Wildlife Service whenever the lead federal agency makes certain findings of fact concerning the impact of the proposed project on endangered species.* In certain instances, BLM biological staff will use the threat of a consultation to extract concessions from the applicant, without formally preparing any "findings". Whenever this occurs, BLM management loses a valuable oversight tool which should be employed to eliminate inaccurate conclusions and to keep the consultation and the BLM permit conditions on track.

RECOMMENDATION: (1) Whenever BLM staff believe that a proposed project will require consultation with U.S. Fish & Wildlife Service officials, BLM staff should prepare draft written findings for review by the applicant and BLM management. (2) In addition, BLM Area Managers should develop (with public input) boiler plate permit conditions for routine activities, which will facilitate the avoidance of consultations in particular geographical areas.

* §7(4) - Each federal agency shall confer with the Secretary [of the Interior] on any agency action which is likely to jeopardize the continued existence of any species proposed to be listed under section 4 or result in the destruction or adverse modification of critical habitat provided to be designated for such species.

SEP 1994
Bakersfield Calif.
Caliente Area

ISSUE: Duplication of federal environmental protection programs by BLM staff.

DISCUSSION: Federally funded programs such as the Clean Air Act, the Clean Water Act, etc. are implemented and enforced by other agencies on BLM properties. While BLM staff should be diligent to reconcile apparent discrepancies, it is redundant and wasteful for BLM staff to duplicate the oversight provided by other federally funded agencies. Unless the BLM can show that a federally funded program is deficient or otherwise inadequate, it should not waste its time or resources providing oversight and specifying additional requirements to ensure compliance with state and federal environmental laws.

RECOMMENDATION: The BLM should formally advise permit applicants that it is the responsibility of the applicant to comply with the requirements of local, state, and federal environmental protection laws. The permits should not address the issue further.

Santa Fe Energy Resources appreciates this opportunity to provide comments to you for inclusion in the NPR Calif. Lab. process. If you have any further questions or comments please contact me at (803)322-3992.

Sincerely,

Jim Robinson
Sr. Environmental Specialist

JER/jr

Shell Western E&P Inc.
An affiliate of Shell Oil Company

P. O. Box 11164
Bakersfield, CA 93389

September 30, 1994

SEP 30 1994

SEP 1994
U.S. Dept. of Interior
Bureau Land Mgmnt
Bakersfield, Calif.
Caliente Area

HAND DELIVERED

Nick Douglas
Chief, Branch of Drilling and Operations Inspections
Bureau of Land Management
Caliente Resource Area Office
3801 Pegasus Drive
Bakersfield, CA 93308

Dear Mr. Douglas:

SUBJECT: BUREAU OF LAND MANAGEMENT (BLM)
REVIEW OF FIELD REGULATIONS

With respect to your request that industry catalogue BLM field regulations that we believe to be unnecessary, redundant, ineffective or are not designed to generally achieve their intended purpose, Shell Western E&P Inc. (SWEPI) offers the following list. This list excludes items specifically oriented towards environmental, health and safety and royalty determination issues, as you requested.

REGULATION PROBLEMS

1. Timing of Permits for rights-of-way - BLM review is often so protracted that issues may arise during the interim that cause the operator to have to repeat the process. A bonded contractor will submit its report early in the process. BLM's turnaround time in reviewing this report is generally slow. Does BLM need to do anything other than review the report in a timely manner? SWEPI has examples.

2. Why does BLM require review and approval authority for the portions of projects that extend beyond BLM's ownership boundaries? SWEPI has a recent example where only a

small fraction of the project was on BLM property yet BLM required complete project review and approval. This caused unnecessary delays and added to the project costs.

3. Well permitting - why is there such a disparity between BLM requirements and State of California-Division of Oil and Gas (DOG) requirements? Well permits on BLM lands take 30 working days vs. 10 for DOG. BLM permits expire in 3 months vs. 1 year for DOG. This causes delays (obtaining permits) and unnecessary acceleration of drilling (permit expiration) that costs money because of possible logistics/coordination problems.

4. Sundry notices -why so many and why are they required before any work can be done? Suggestions to resolve this time consuming and costly paperwork process are (1) only require a Sundry Notice if an emergency/extremely significant situation, (2) empower the BLM field representative to make decisions without necessity of reviewing/obtaining approval from office staff. Another problem with Sundry Notices - they only apply to the specific tract and operation covered by the Notice even though a similar operation is being conducted nearby or may be conducted again on the tract in the future. Suggestion - expand the scope of Sundry Notices so fewer need to be filed.

5. BLM field representatives vs. office engineers - like 4. above, empower the field representatives with more decision making authority. They don't always see "eye to eye" with office engineers which leads to confusion, rework and costly delays.

6. Idle Well Policy - let us hold on to an idle well without having to either RTP or abandon it within a year. Also, why should we ever have to submit more than one Sundry Notice if a well's status has not changed?

7. Regulations in general - BLM should make its field regulations more consistent with DOG's (ex. timing of fluid level checks).

8. Industry would like a concise written version of BLM operational regulations. The Federal Register has a lot of unneeded extra material not related to our work.

9. Workover Procedure - BOP testing to 2,000 PSI is not practical for most of the oil fields in California because of their low tubing pressure. Most operators' mud pumps can't do 2,000 PSI which requires special equipment for testing. A 500 PSI test would be sufficient. Some older wells can't hold 2,000 PSI without possible damage. DOG relies on the work of independent contractors - BLM should also.

10 Abandonment

   a. Shoot perforations and squeeze cement between each and every zone containing HC, including between HC and base of fresh water zone. (g. Drilling Abandonment Requirements).

SEP 1994

- Onshore order #2 states only "All formations bearing usable-quality water, oil, gas or geothermal resources and/or a prospectively valuable deposit of minerals shall be protected." Onshore order #2 does not specify perforation and cement squeeze.

- Cross contamination between depleted HC (oil) zone is very unlikely.

- The upper zone in most cases is already cemented behind pipe and is protected.

- DOG only requires perforation and cement squeeze between the base of fresh water and the top most HC zone. The intent is to protect the fresh water zone.

b. Filling casing annular space (after cutting and removing wellhead) with class 'G' cement instead of ready mix cement. (g. Drilling Abandonment Requirements).

- The well is filled with class 'G' cement from 50' below to surface.

- The class 'G' cement will leak into ground at the surface.

- The chance of fluid migration at the surface through the surface plug is very unlikely.

- Ready mix cement without aggregate is an effective surface cement.

- DOG will allow ready mix cement.

11. Weed Control - BLM won't allow us to spray without going through a lengthy, difficult process. Weeds around facilities are very difficult to control without spraying and could cause safety problems for operating personnel.

12. Water spills - BLM requires a report on any spill greater than 10 barrels, even if it's fresh water. Again, much more stringent than DOG. Is this necessary?

We have two additional comments/questions with respect to this process that the BLM has laid out. First, will the BLM actually change/delete field regulations that you agree are in need of change or will you handle identified problems on a case by case basis as in the recent industry/regulatory agency well abandonment subcommittee? Second, an important economic principle to remember as you review our suggestions is that delays in the permitting/approval process cause delays in the project implementation by a company. Since companies measure their investments in present value profit, delays lower the present value profit of projects which, at times, cause them to fall below an acceptable return to the company. The same argument holds true for incremental costs imposed on industry.

SEP 1994
Dept. Inte
12345678910

We very much appreciate your desire to obtain information from industry, and we trust that these issues will be discussed and acted upon. Please don't hesitate to call the undersigned at (805) 326-5330 should you have any questions.

Very truly yours,

J. C. Boyd
Division Land Manager
California Division

JCB:sjb

INDEPENDENT OIL PRODUCERS' AGENCY
IOPA
SINCE 1904

Michael S. Sansing
Manager
Regulatory Affairs

September 9, 1994

Mr. Nick Douglas
Bureau of Land Management
3801 Pegasus Drive
Bakersfield, Calif. 93308

Dear Mr. Douglas,

As per your request, I have polled IOPA members in regard to areas that the BLM could improve service. I have encountered difficulty in contacting all necessary members on this short of notice and the fact this is Friday. However, of those members contacted, the following points were brought up:

1) ✓ One of our members abandoned the sumps at his production facilities. He performed this operation in accordance with the sump closure guidelines developed by the CDOGGR, BLM, RWQCB, and industry sub-committee. He had desired to take the sump bottom material, which tested out non-hazardous, and mix it on his roads for PM-10 and erosion control. The BLM would not let him do this and he was forced to transport the material offsite for mixing. In addition to the transportation charges, the BLM made this operator pay a per cubic yard fee for the material as the BLM considered the material usable but would not let it be used on the lease. This operator would like to request the BLM look into this matter for future sump abandonments. Not only is it needed for PM-10 control, it might facilitate certain sumps being abandoned in a more timely fashion as operators would not be faced with additional transportation charges and fees to the BLM.

✓2) Another one of our members expressed a concern for the amount of sundry notices that must be filed when drilling a shallow well. Please note these comments pertain to shallow wells that are drilled in approximately one weeks time or less; not deep wells. He requested the BLM to consider accepting a complete well history submitted in 30 days or less from completion of drilling as opposed to the operator having to submit sundry notices for the commencement of drilling, running of casing, well logging, completion, etc. On deep wells, the need can be understood for this. However, when you are drilling a 4 or 5 well package, and the wells only take 3+ days to drill, submitting all these sundry notices is cumbersome.

ATTACHMENT 3C

Mr. Nick Douglas
September 9, 1994
Page Two

✓ 3) IOPA has members that question the need for sealing all the valves on a storage tank with numbered seals and keeping logs on the usage of said seals. We understand the need to protect the oil from theft. However, if someone wanted to steal the oil, they would simply break the seal. If an operator wanted to steal the oil, he could do it upstream of the tank. The logging and sealing of tank drains and sample cocks becomes time consuming and burdensome to operators, especially when the pumpers on a lease change. In order to protect the environmental and guard against vandalism, the vast majority of our members lock all the valves on their tanks over 1" in size.

✓ 4) A concern that our members have who operator on Federal lands is that of the use of cavity shots verses perforations during the course of abandonments. As you are aware, I serve as the chair of the CDOGGR, BLM, and industry sub-committee looking into this matter. I only mention this concern here because IOPA members brought it up when I questioned them on their BLM concerns.

5) Another point brought up during discussions was that of dual bonding. I am aware that the CDOGGR has proposed legislation, for 1995, that would eliminate the CDOGGR requiring a bond on Federal leases as long as the operator had a valid Federal bond. However, until that takes place, dual bonding is a concern of our members.

I did receive numerous comments concerning the impact of threatened and endangered species on Federal leases. However, it was my understanding that you wanted comments on those areas of concern where the BLM had sole authority. IOPA and its members appreciate the fact you asked us for our thoughts and input. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Michael S. Sansing

Michael S. Sansing

cc: Les Clark

U.S. Department of the Interior
Bureau of Land Management
Bakersfield District Office
3801 Pegasus Dr.
Bakersfield, CA 93308-6837

3100
(CA-016.87)

Memorandum

To: NPR Coordinator, WO

From: Division Chief, Minerals (CA-016.8)

Subject: Summary of Outreach/Interagency Coordination Activities
National Performance Review - California Process Review Team

Attached is a summary of the California Outreach/Interagency Coordination and Post lease Process Review Team activities. This summary is designed to provide guidance on how to initiate a partnership approach to conducting oil and gas activities on federal leases. It should be forwarded to all BLM offices with oil and gas responsibilities.

This completes Phase I of our Action Plan. If you have any comments or suggestions, please call Nick Douglas or Jeff Prude at (805) 391-6131 or (805) 391-6140, respectively.

Attachments

Attachment 4

Attachments to Export Package

I. Oil and Gas Work Group (OGWG)
  a. Press Release January 1992
  b. Letter to All Operators Announcing Formation of OGWG, signed by BLM DM and CDOGGR - April 19, 1992
  c. Purpose and Objectives of OGWG
  d. OGWG Summary Report - April 20, 1992 Meeting (First Meeting)

II. Drilling, Production, and Abandonment Issue Resolution Subcommittee - (First Technical Subcommittee Formed by OGWG) - April 1992
  a. Transmittal Letter
  b. Minutes and Recommendations

III. BLM Oil and Gas Newsletter - May 1992

IV. OGWG Summary Report - June 1993

V. Sump Closure Guidelines - (Developed by Sump Closure Technical Subcommittee) - July 1993

VI. Executive Summary and Final Report Cover Letter for the Well Abandonment Subcommittee Final Report - May-August 1994

NATIONAL PERFORMANCE REVIEW
CALIFORNIA PROCESS REVIEW TEAM

California BLM is one of two Process Review Teams (PRTs) in the BLM Oil and Gas National Performance Review (NPR). One of our primary charges is to package and export the procedure for establishing a successful Outreach/Interagency Coordination process. Prior to the advent of the NPR, California had already established and begun using an Outreach/Interagency Coordination process to resolve local disputes. This effort has yielded very significant benefits. Following is a summary of those outreach efforts.

The discussion that follows outlines the steps we took in establishing the Outreach/Interagency Coordination process in California. This discussion is divided into four areas:

1. Overview of Oil and Gas Operations/Industry Relations in California, Prior to the Establishment of the Oil and Gas Work Group and Outreach Program,

2. Establishment of the Oil and Gas Work Group and Subsequent Partnerships,

3. Current Situation - Existing Successes, and

4. Future Projections - Potential Nationwide Applications.

Overview of Oil and Gas Operations/Industry Relations in California, Prior to the Establishment of the Oil and Gas Work Group and Outreach Program

Until early 1992, there was little coordination between the BLM and the California Division of Oil, Gas, and Geothermal Resources (CDOGGR) in regulating oil and gas activities on federal land. Hence, the federal oil and gas lessees/operators in California frequently received different requirements/ conditions of approval from the BLM and the major State regulatory agencies (CDOGGR, Regional Water Quality Control Boards, etc.) It was confusing to even try to determine all of the federal and state agencies regulating oilfield activities. In a few cases, operators were given requirements which directly contradicted each other. Because of the poor economic condition of the industry, operators were becoming more vocal concerning their problems. As the BLM began to investigate the situation, a number of very disturbing facts became apparent. We discovered that:

1. Operators were unaware of many of the federal regulations and frequently did not even have a copy of 43 CFR or the Onshore Orders.
2. Operators which had copies of the Regulations and the Orders had not read

or studied them and therefore were unable to comply with the intent of the regulations.
3. Bankruptcies had occurred and had been resolved without any knowledge or representation from the BLM.
4. Duplicative efforts were rampant among various Federal, State, and County agencies, more specifically, between the CDOGGR and the BLM.
5. Serious problems existed with rights-of-way, specifically that a large backlog existed and that operators were typically given unacceptable processing times (1-2 years or more).
6. Serious problems existed with threatened and endangered species issues, primarily that a regular leasing program had not occurred for a couple of years and was unlikely to resume for several more years, due to the designation of the San Joaquin Valley as a major habitat for a number of listed and candidate T&E species.

These concerns culminated in severe frustration and open hostility from members of the industry towards the BLM. BLM Management recognized the situation and shared the frustrations. Hence, the establishment of the Oil and Gas Work Group.

Establishment of the Oil and Gas Work Group and Subsequent Partnerships

In response to these increasing concerns from industry, in early 1992, District Management directed that we increase the contact between BLM and CDOGGR. To that end, an Oil and Gas Work Group was established. The Work Group is comprised of representatives, mostly in management, from both government and industry. Its mission is to promote the timely resolution of issues and to facilitate the sharing of information between the BLM, California Division of Oil, Gas, and Geothermal Resources (CDOGGR), and the Oil & Gas Industry. The Work Group is also responsible for developing and overseeing technical subcommittees to ensure the timely resolution of issues.

We began the process by convening at the office of a local oil company. The BLM moderated the Work Group meetings and provided written agendas and minutes. It soon became apparent that as industry members became more involved in formulating the agenda, they became more receptive. Although we know that the BLM has the ultimate authority on federal leases, we made it clear that we were no longer going to make decisions without discussing the ramifications with those most affected, i.e., the oil and gas industry. Press releases, interviews with local management, and letters to all operators in California were issued to explain our goals.

As mentioned previously, one of the primary missions of the Work Group was to form technical subcommittees to discuss items of concern. At the first meeting of the Work Group, a number of technical issues were identified and prioritized. Each regulatory agency and oil company present provided

nominations for the first subcommittee. The technical expertise of the various participants proved to be crucial to making the process effective. In other words, the people actually having working knowledge of the issues were the ones discussing how best to meet the intent of the regulations without sacrificing safety or environmental protection. At the same time, we looked at economics so that the industry members were not being unnecessarily burdened. The subcommittee format proved to be very successful in developing methods to resolve many of industry's issues and concerns.

As we worked together, our confidence levels in each other rose. With the further passing of time, the meetings grew more productive as the participants felt more comfortable and less defensive. Once the members realized that we had many common ideas and goals, positive results ensued. After facing and resolving the problems together, we saw the relationships grow from a "conflict resolution" mode to a "partnership" mode.

Current Situation - Existing Successes

We have received many very positive comments about our efforts to work together with industry. These successes are exemplified in the resolution of issues related to:

- Surface Casing Requirements in relation to aquifer protection
- Blowout Preventers/Diverter Systems
- Oilfield Surface Impoundment Closure Requirements
- Idle Well Policy (Classification/Testing Requirements)
- Annual Joint Meetings
- Well Abandonments

The Work Group has also served very well to improve communication and working relationships between the BLM and other regulatory agencies such as the CDOGGR. In addition to our meetings, we began publishing a newsletter which kept industry informed of current activities of interest such as proposed rulemakings, new regulations, RMP status, and others. This newsletter served well to prevent industry from feeling that they were being "kept in the dark" until it was too late to provide meaningful input.

Future Projections - Potential Nationwide Applications

The Work Group has provided for more efficient decision making within regulatory constraints, which parallels the goals of the NPR. As members of the Work Group, petroleum industry participants have become more accountable for management issues and decisions because they were involved in the process from the beginning.

We have also prepared a draft Memorandum of Understanding (MOU) with the CDOGGR (see attached). This MOU would accompany a delegation of authority and would implement tansfer of inspection authority to the CDOGGR for certain leases which meet the following criteria:

a. Federal interest is minimal (Non-FOGRMA high leases).

b. Leases are remotely located from the BLM Caliente Resource Area.

The draft MOU also details each agency's responsibilities on other lands where both the BLM and CDOGGR currently have jurisdictional authority. This will create efficiencies and prevent duplicative work, while at the same time it will allow for sharing/cross training of personnel when possible.

Attached are a few examples of the products of our Work Group/Subcommittees, as well as the Draft MOU between the BLM and CDOGGR. We hope that you find them helpful, and that some of these ideas may be applicable to your situation. We believe every BLM office in the country, including ours, can benefit from partnership and collaboration with our customers. There are no instant solutions- this is a process which can only be successful if all parties are willing to work together and trust each other.

If you have any comments or suggestions, please call Nick Douglas or Jeff Prude at (805) 391-6131 or (805) 391-6140, respectively.

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ATTACHMENT I

U.S. DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
MEDIA RELEASE

Release Date: Immediately: 1-28-92

BAK-92-14
101,102,103
145,191

Contact:
Hal Bopp -CDOG (805) 322-4031
Glenn Carpenter - BLM (805) 861-4236
Larry Mercer - BLM (805) 861-4229

OIL & GAS REGULATORS TO COOPERATE

Oil and gas operators often have to contend with overlapping regulations from various government agencies. Hoping for better efficiency for the oil industry and for taxpayers, two of those agencies have decided to more closely work together.

The State of California's Division of Oil and Gas (CDOG) and the federal government's Bureau of Land Management (BLM) are the cooperators. Leaders of both agencies in Bakersfield met on Tuesday, January 28, and agreed to keep on meeting to work on a common approach to the industry.

The California Division of Oil and Gas monitors and enforces state regulations for the oil and gas industry in California, while the Bureau of Land Management has authority over the industry on federal land. Their responsibilities often overlap, resulting in a double layer of regulations for operators.

The agencies agreed to conduct joint inspections where appropriate, and to consult each other before issuing notices or asking information of the industry. BLM and CDOG will also invite the industry to join them in a task force looking into ways to further refine the process.

Ron Fellows, BLM's Bakersfield District Manager, and Hal Bopp, CDOG's Bakersfield District Supervisor were both pleased after the first meeting. "There's got to be a better way of doing business and we are going to find it" said Fellows. Bopp agreed, saying "we have come a long way already and we want to make this work so we can reduce the burden on the industry".

The group formed three subcommittees to work on technical issues and scheduled another meeting for April.

- BLM -

BLM • BAKERSFIELD DISTRICT
800 TRUXTUN AVENUE, ROOM 302
BAKERSFIELD, CALIFORNIA 93301
805 / 861 -

TAKE PRIDE IN AMERICA

United States Department of the Interior

TAKE PRIDE IN AMERICA

BUREAU OF LAND MANAGEMENT
Bakersfield District Office
800 Truxtun Avenue, Room 311
Bakersfield, California 93301-4782

IN REPLY REFER TO
3100
(CA-015)

APR 1 ; 1992

Notice to All Oil and Gas Operators
of Federal Leases in California

Dear Oil and Gas Operator,

The Bureau of Land Management (BLM) and the California Division of Oil and Gas (CDOG) are pleased to announce the proposed formation of a new Oil and Gas Work Group. This Work Group will be comprised of representatives from both government and industry, and its purpose would be to promote the timely resolution of issues brought out at the annual Oil and Gas Industry Conference and BLM/CDOG Quarterly Meetings, and to help facilitate the sharing of information between the BLM, CDOG, and the Oil & Gas Industry. The work group would also be responsible for developing and overseeing subgroups to ensure the timely resolution of issues. A more detailed mission statement is attached.

Although the exact composition of the work group has not yet been determined, we expect to have about half government and half industry representatives, totalling about 15 persons in all. We plan to have representatives from both majors and independents, as well as from CIPA, IOPA, and WSPA. There may also be a need for "guest experts" when additional expertise is required. A list of individuals chosen for this work group will be provided to you when it becomes available, probably before the end of spring.

We are excited about the possibilities presented by the formation of this group, and we look forward to this joint effort. As the BLM and CDOG agreed in our preliminary discussions in January, "there's got to be a better way of doing business (than having duplicative and sometimes contradictory regulations), and we want to make this work so we can reduce the burden on industry."

If you have any questions, please call Del Fortner, Assistant District Manager for Minerals in the BLM's Bakersfield District Office, at (805) 861-4216, or Hal Bopp, CDOG District Supervisor, at (805) 322-4031.

Sincerely,

Ron Fellows

Ron Fellows
BLM District Manager

Hal Bopp
CDOG District Supervisor

OIL AND GAS WORK GROUP

PURPOSE

The purpose of this work group is to promote the timely resolution of issues brought out at the annual Oil & Gas Industry Conference and BLM/CDOG Quarterly Meetings, and to help facilitate the sharing of information between the BLM, CDOG, and the Oil & Gas Industry. The work group may develop and oversee subgroups to ensure the timely resolution of issues.

OBJECTIVES

1. To develop technical information related to the petroleum industry, as it impacts BLM/CDOG/Industry concerns.
2. Encourage petroleum industry and regulatory agency coordination, and propose solutions regarding critical issues related to exploration, drilling, and production.
3. Coordinate the annual Oil and Gas Industry Conference.
4. Meet quarterly, or as needed, to discuss new regulations and industry concerns.
5. Address the following issues, either through the group or subgroups:
    a. Joint inspections
    b. Drilling, production, and abandonment requirements
    c. Data sharing
    d. Automation
    e. Idle well program
    f. Underground injection

BLM Library
Denver Federal Center
Bldg. 85, OC-521
P.O. Box 25047
Denver, CO 80225

Oil and Gas Work Group - Summary Report
April 20, 1992 Meeting

A number of items were discussed at this first organizational meeting. First, the following goals were stated by the BLM:

1. Work closely as a team, seek cooperation between the BLM/CDOG, and industry.

2. New requirements will not be issued in a vacuum - BLM, industry, and the CDOG would have opportunity for input.

3. Regular meetings will be held to discuss issues - no duplicative or contradictory CDOG/BLM orders.

4. Re-format the Annual BLM/CDOG/Industry meeting to be more useful to industry; i.e., more work groups, fewer speeches.

Industry expressed several concerns:

1. Need opportunity to comment on new national regulations that would affect local requirements, before the regulations are implemented.

2. BLM/CDOG should be represented on some existing work groups, such as casing work group.

3. Duplicative/contradictory regulations from CDOG and BLM.

4. Strong perception that new regulations are being promulgated which are unnecessary, expensive, and/or unsafe.

5. Effectiveness of proposed Royalty Rate Reduction for Stripper Wells Policy, due to different conditions in California.

6. Status of approval for electronic flow meters.

7. Lack of input into Fish and Game, Fish and Wildlife planning documents.

As a result of the discussions that followed, the following recommendations were made:

1. BLM will notify industry of upcoming regulations/proposals in time for comments to be considered. Monthly newsletter, beginning in May, will contain information, updates, status reports, and other items of general interest.

2. Cathy Reheis, WSPA, will ask at WSPA meeting on April 30 about getting BLM on appropriate work groups. Les Clark, IOPA, will send BLM notification on IOPA meetings.

3. Subgroups will be formed to discuss technical issues. (The first of those subgroups, the Drilling, Production, and Abandonment Issue Resolution Committee, was formed and had its first meeting on April 23. The second subgroup, dealing with various aspects of sumps, will be formed in the near future, i.e., 4-6 weeks).

4. BLM is seeking approval from the State Director to allow electronic flowmeters. Industry will be notified when approval is granted.

5. The BLM agrees that industry input into Fish and Game, Fish and Wildlife planning documents is critical if industry is going to support the proposals. The BLM will seek to address the next HCP meeting on May 6.

6. The next Oil and Gas Work Group meeting will be held in July or August, at which time we will discuss the Annual BLM/CDOG/Industry meeting.

We believe this meeting represents a good beginning point from which we can proceed. Thanks for your participation, and we will be contacting each of you regarding the specifics of the next meeting.

ATTACHMENT II

Attached are an attendee list and a summary report of the recommendations resulting from the April 23, 1992 meeting of the **Drilling, Production, and Abandonment Issue Resolution Committee**. This Committee was formed at the recommendation of the Oil and Gas Work Group which met a few days earlier on April 20. Both meetings were held in the Western States Petroleum Association's (WSPA) Bakersfield office.

The goals of this committee, comprised of technical representatives from various companies, industry groups, BLM, and CDOG, is to discuss BLM's permitting process, requirements for APD approval and the process for seeking a variance, aquifer protection requirements for the BLM and CDOG, and other topics of general interest. A follow-up meeting will be held on May 27 at 9:00 A.M. in WSPA's office.

We believe this meeting represents a good beginning point from which we can proceed. Thanks for your participation, and we will be contacting each of you regarding the specifics of the next meeting.

If you have any questions, please call me or Jeff Prude at (805) 861-4196.

Delbert Fortner
Assistant District Manager, Minerals

Drilling, Production, and Abandonment Issue Resolution Committee
April 23, 1992

The following assumptions were made by the facilitator, Del Fortner (BLM) prior to beginning the discussion:

1. We all want oil and gas development.

2. We have good ideas, but we may have different methods of achieving our objectives.

3. Minimum regulatory rules have to be met.

4. There are methods to deviate from these standard rules by following the "variance" process.

5. Members of this group will be briefed through a report.

The discussions that followed concerned a variety of topics, but they centered on the requirements related to drilling permit approval and the process for seeking a variance. Of particular concern were the requirements for surface casing, BOPE vs. diverters, and clarification of CDOG and BLM policy on aquifer protection. Also discussed, but not in detail, were sumps, abandonment, and other topics of general interest. These items will be discussed at the next meeting (if they relate to drilling, production, or abandonment) or in a separate committee to be formed concerning sumps.

During the ensuing discussions, it was noted that an industry "coalition" had been formed for the purpose of preparing a report to be presented to the BLM and CDOG for their evaluation. The primary purpose for the report is to request a variance in the BLM's requirements for drilling permit approval. The variance request will be for a number of fields with similar characteristics, collectively termed the "Westside."

After discussing the general purpose of the report, due to be released approximately May 7, it was apparent that the potential resolution of most of BLM's and industry's concerns were dependent upon whether the report meets the requirements for a variance. The BLM will evaluate the report and make its recommendations at the next meeting.

The following page summarizes the recommendations which were presented at the conclusion of the meeting.

Recommendations:

1. Issue Notice to Lessee (NTL) on casing and cementing similar to New Mexico's. (Note: BLM management requested that "well control" also be addressed in this NTL.)

2. We will consider participating on any committee industry asks us to be on.

3. Have BLM representative attend field rule hearings with CDOG. An MOU would be necessary for BLM to adopt CDOG field rules.

4. The BLM should evaluate alternative methods (through the "variance" process) of achieving minimum standards on a field basis as data become available.

5. Clarify BLM's and CDOG's position on fresh or useable water aquifers, underground injection.

6. Evaluate "industry coalition" report when it becomes available, tentatively on May 7. Meet after evaluating to discuss report and resolve issues. Next meeting: May 27, 9:00 A.M., WSPA's office.

7. Meet with any company requesting individualized assistance in preparing APDs, sundries, or other permit applications.

8. BLM and CDOG management will be briefed April 24 and a recommendation will be made at that time. (Note: This was done and both managers agreed with recommendations.)

ATTACHMENT III

Attached is the Bureau of Land Management (BLM) Bakersfield District Office's Oil and Gas Newsletter for the month of May. This is the first time we have published such a newsletter, and we hope it will be of interest to you. It is designed to let you, the oil and gas industry, know the status of items which may affect your current and future plans and operations on federal land, with a focus on California. We plan to publish the newsletter on a monthly basis, with supplemental updates as required. If you or others within your organization find the newsletter of use, and you wish to continue receiving it, please fill out the information on the attached form and return it to:

Del Fortner
Bureau of Land Management
800 Truxtun Ave., Rm 311
Bakersfield, CA 93301

If you would like to submit items for publication in this newsletter, we would be glad to consider your request. If you have any topics you wish to be addressed, or you want copies of any of the items referenced in the newsletter, please write to me or Jeff Prude at the above address, or give us a call at (805) 861-4196.

We hope to answer some of your questions and concerns with this newsletter, and thereby better serve you.

Delbert Fortner
Assistant District Manager, Minerals

Please fill out the form below and return to:

Delbert Fortner
Bureau of Land Management
800 Truxtun Ave., Rm 311
Bakersfield, CA 93301

BLM Oil and Gas Newsletter

Name ______________________ Date ____________

Company Name ______________________________

Address ___________________________________

City ________________ State _____ Zip __________

___ Yes, I want to receive the BLM Oil and Gas Newsletter

___ No, I do not want to receive the BLM Oil and Gas Newsletter

Return to: Delbert Fortner
Bureau of Land Management
800 Truxtun Ave., Rm 311
Bakersfield, CA 93301

Bureau of Land Management
Bakersfield District Office
Oil and Gas Newsletter
May 1992

1. The first organizational meeting of the Oil and Gas Work Group was held on April 20 in the Western States Petroleum Association's (WSPA) office in Bakersfield. A number of management and technical staff attended, representing majors, independents, CDOG, and BLM. The purpose of this group is to promote the timely resolution of issues brought out at the annual Oil & Gas Industry Conference and BLM/CDOG Quarterly Meetings, and to help facilitate the sharing of information between the BLM, CDOG, and the Oil & Gas Industry. The Work Group may develop and oversee subgroups to ensure the timely resolution of issues.

   Two subgroups were discussed at the first meeting of the Work Group. The first, the Drilling, Production, and Abandonment Issue Resolution Committee, has been formed and has already held its first meeting (see item #2 below). The second, to address issues concerning sumps, will be formed within the next month or so.

   If you have any questions or concerns which you wish to be discussed at one of these Work Group meetings, or if you wish to be on the agenda, please contact Del Fortner, BLM, at (805) 861-4216, or Hal Bopp, CDOG, at (805) 322-4031. A list of the members and a copy of the Summary Report are available upon request.

2. The first meeting of the Oil and Gas Drilling, Production, and Abandonment Issue Resolution Committee was held on April 23, also in WSPA's office. A number of technical representatives from various companies, industry groups, BLM, and CDOG were present to discuss BLM's permitting process, requirements for APD approval and the process for seeking a variance, aquifer protection requirements for the BLM and CDOG, and other topics of general interest. A follow-up meeting will be held on May 27. A list of the attendees and a copy of the Summary Report are available upon request.

3. Instruction Memorandum (IM) 90-411 - All existing SOPs automatically extended to May 31, 1993. All that is required for a new request is a certification by the applicant that in the absence of an approved suspension, there may be a premature abandonment of the wells and resulting loss of recoverable reserves. The effective date of an approved suspension shall be the 1st of the month following the month in which the suspension was approved; this eliminates the possibility of a lease being produced subsequent to the effective date of the suspension. A copy of this IM is available upon request.

4. Status of "Stripper well royalty rate reduction proposal": The proposal was published in the Federal Register dated March 10, 1992. Public comment period expired April 10, and the final rule is expected to be published by late summer. Briefly, new rules would allow for a reduced royalty of between 0.5% and 12.5% for stripper wells, depending on production, and the royalty rate would never rise above the initial rate when the lease first qualified. This would encourage EOR and other operations designed to increase production by reducing the overall operating expense. A draft of the proposal is available upon request.

5. New forms required for oil and gas geophysical exploration - New Form 3150-4a, and revised and renumbered forms 3150-4 and 3150-5. Forms and associated media release available upon request.

6. Status of oil and gas related rights-of-way backlog: A proposal for industry to fund several positions to help resolve our ROW backlog has been approved by BLM management. A list of qualified and approved contract personnel has been published and distributed to those companies with pending requests. These persons, funded by industry, would "volunteer" for the BLM, and thereby cut the approval time from over a year to a few weeks or months. The training of these contract personnel is expected to begin in early May. A list of the approved contract personnel is available upon request.

7. Idle wells - the BLM and CDOG are working on a joint effort to come up with common rules and regulations, hoping to eliminate any potential duplication.

8. Underground Injection Control Program, Class II Wells - An advisory committee made up of oil and gas industry, State, Federal (BLM, DOE), and environmental parties has published a final draft report concerning guidance, testing requirements, construction requirements for wells, and general information. These guidelines and recommendations, if implemented, will represent a compromise situation which will allow industry to better plan and budget the necessary funds with a higher degree of confidence. The committee approach allowed all interested parties to air their concerns and be involved in the final decisions, which should result in less controversy and confusion. A copy of the Draft Final Document is available upon request.

9. Caliente Resource Area Resource Management Plan (RMP) - draft expected to be completed by late summer, to be followed by a 90-day public comment period. Final plan expected to be completed in the fall of 1993.

10. Oil and gas lease sales - Two competitive oil and gas lease sales are scheduled for 1992, tentatively on June 25 and September 9. About 25 parcels will be offered in each sale. These leases have been screened for T & E species and their habitat, and nearly all of them will be leased with standard terms.

11. Electronic flowmeters - We are seeking delegation of authority for approval from our State Office in Sacramento. If approved, this delegation would allow for local approval of electronic flowmeter installations.

12. Vacant Area Manager Position at Caliente Resource Area - All applicants have been interviewed. The selection should be announced by early June.

It has been brought to our attention that many times companies are not aware of opportunities to comment on proposals concerning new or revised regulations, as published in the Federal Register, particularly in these times of reduced staffs. In order to help alleviate this problem, we will attempt to notify industry either through this newsletter or through a special mailing, when major rule making is proposed. Some of you may have concerns which are unique to this area, due to the low prices and high operating costs associated with heavy oil. It is not enough for you to assume "someone else will take care of my concerns." It is important that your comments are heard.

Again, we hope this newsletter will be helpful and informative. We welcome your feedback, and we are looking forward to our increased public outreach efforts.

#44

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ATTACHMENT IV

DEPARTMENT OF
CONSERVATION
Oil
and Gas

JUN 22 1993

To: Oil and Gas Work Group Members

Re: Summary Report - June 9, 1993 Meeting

A meeting of the Oil and Gas Work Group was convened at Santa Fe Energy's office at 9:30 AM on June 9, 1993. Del Fortner facilitated the meeting, and all items on the agenda were discussed (Attachment 1). The attached sign up sheet indicates those that were present (Attachment 2).

Status reports were provided by Ron Chambers, Jeff Prude, Del Fortner, Jim Abbott, and Leroy Mohorich as listed under agenda items 2a through 2e. The following is a summary of the action items resulting from the reports and ensuing discussions:

1) The **Sump Closure Subcommittee** has completed its original charge, and the final guidelines were presented to and approved by the Work Group. The guidelines have been reviewed by the Department of the Interior Solicitor's Office in Sacramento, as well as by the CDOGGR and Industry organizations. We will provide a copy to all Operators of Federal leases in California by the end of June.

2) The **Oil and Gas Industry Conference** was discussed. The Conference was a success, with approximately 220 in attendance. We have received much positive feedback, along with some constructive comments on ways to improve for next year. The follow up summary report was sent to all attendees June 4.

We discussed the possibility of having future conferences every 18 months instead of 12, but the general consensus was that industry prefers to meet on a yearly basis. We also discussed location, timing, and general format. The meeting next year will again be at the Red Lion, either in March or April. We will start advertising earlier next year to avoid missing deadlines for magazines and newsletters.

3) Del Fortner discussed the upcoming **oil and gas lease sale**. There are a total of 59 parcels to be offered at the June 29 sale, to be held for the first time in Bakersfield. We also are planning a sale for Hollister RA parcels, tentatively scheduled for December 1993. The BLM is actively soliciting parcel nominations from industry for that sale. The proposed sale would be the first in many years to be held in California using an Area-wide Resource Management Plan (RMP) as opposed to a site specific Environmental Analysis (EA).

4) The status of the **Caliente Resource Area (CRA) and Hollister Resource Area (HRA) RMPs** was discussed. The HRA RMP should be out in final form in a few weeks. The draft CRA RMP is now scheduled to be printed and mailed during August.

5) The status of the plans for **eliminating the duplicative bonding requirements for the BLM and CDOGGR** was discussed. Leroy Mohorich (BLM - Sacramento) stated the BLM has drafted a policy statement (to be surnamed by the CDOGGR) which would acknowledge the BLM has the ultimate responsibility on federal leases. It further states only one bond would be required on Federal leases, rather than the two which are currently required (the BLM's plus the CDOGGR's drilling bond). The BLM would work with the CDOGGR during the drilling and 6-month initial production phase to ensure all CDOGGR concerns were covered. This proposal would be included in a package of legislation to be submitted by the DOC/CDOGGR for consideration by the legislature. The proposal is currently awaiting approval at the Department of the Interior Solicitor's Office in Sacramento.

6) Rik Williams (Santa Fe) accepted the nomination to be chairman of the new **Idle Well Subcommittee**. Nominations for membership have been received from WSPA, and other representatives will be from the BLM, CDOGGR, CIPA, and IOPA. The first meeting was tentatively set for June 30. The specific details such as the statement of purpose will be further discussed at that first meeting.

7) The need for a **Rights-of-Way Subcommittee** was discussed. Per Jim Abbott, Caliente RA Manager, there is no longer a backlog of rights-of-way awaiting approval as there was at times in the past. All rights-of-way are now being processed as they arrive. Consequently, there is no need for a special subcommittee at this time.

We want to express our appreciation for all the effort that has gone into this Work Group to date and to thank all the members for your continued support.

If you have any questions, please call Jeff Prude at (805) 861-4186, or Hal Bopp at (805) 322-4031.

Sincerely,

for
Ron Fellows
District Manager
Bakersfield District Office
Bureau of Land Management

Sincerely,

David Mitchell for
Hal Bopp
District 4 Supervisor
California Dept. of Cons.
Div. of Oil, Gas, and
Geothermal Resources

Attachments

Attachment 1

OIL AND GAS WORK GROUP

AGENDA

COMMITTEE: BLM/CDOG/INDUSTRY
DATE: 06/09/93
LOCATION: Santa Fe Energy - Bakersfield **TIME:** 9:30 a.m.

1. Introductions (BLM, Fortner - CDOG, Bopp)

2. Status Reports:

    a. Sump Closure Subcommittee - Final Report (WSPA, Chambers)

    b. Industry/CDOG/BLM Oil and Gas Annual Meeting Recap (BLM, Prude)

    c. June 1993 Lease Sale (BLM, Fortner)

    d. RMPs - Caliente and Hollister Resource Areas (BLM, Abbott - Fortner)

    e. Duplicative bonding issue (BLM, Mohorich)

3. New Business:

    a. Idle Well Subcommittee - (Santa Fe, Williams)
        - charter, membership nominations, chairman, statement of purpose, first meeting date

4. Other Issues (BLM, Fortner)

Attachment 2

OIL AND GAS WORK GROUP

Attendance List

COMMITTEE: BLM/CDOG/INDUSTRY
DATE: 06/09/93
LOCATION: Santa Fe - Bakersfield **TIME:** 9:30 a.m.

NAME	COMPANY	PHONE	FAX #
Rik Williams	Santa Fe	322-3992	633-3290
Nick Douglas	BLM	861-4186	861-4280
Ron Chambers	SWEPI	326-5641	326-5708
Leroy Mohorich	BLM-Sacr	(916) 978-4735	
Bob Anderson	BLM-Sacr	(916) 978-4735	
Randy Adams	CDOG	322-4031	861-0279
Craig Jackson	Texaco	392-2495	392-2595
Stowe Killingsworth	Vintage	858-0103	858-2602
Jim Abbott	BLM	861-4236	861-4280
Del Fortner	BLM	861-4216	861-4294
Jeff Prude	BLM	861-4186	861-4280
Les Clark	IOPA	765-7128	765-4038
David Mitchell-	CDOG	322-4031	861-0279

Mailing List

Hal Bopp
California Division of Oil, Gas,
and Geothermal Resources
4800 Stockdale Highway, Suite 417
Bakersfield, CA 93309

Ron Chambers
Shell Western E & P, Inc.
P.O. Box 11164
Bakersfield, CA 93389

Les Clark
Independent Oil Producers' Agency
915 North Tenth Street, St. #22
Taft, CA 93268

Dave Kilpatrick
Santa Fe Energy Resources, Inc.
5201 Truxtun Avenue, Suite 100
Bakersfield, CA 93309

Stowe Killingsworth
Vintage Petroleum, Inc.
P.O. Box 79428
Bakersfield, CA 93381

Richard Curtin
California Division of Oil and Gas
466 N. Fifth St.
Coalinga, CA 93210

Craig Jackson
Texaco, Bakersfield Producing Division
Box 5197-X
Bakersfield, CA 93388

Cathy Reheis
Western States Petroleum Association
901 Tower Way, Suite 3000
Bakersfield, CA 93309-1585

Linda Riddle
United States Forest Service
6144 Calle Real
Goleta, CA 93117

Rik Williams
Santa Fe Energy Resources, Inc.
5201 Truxtun Avenue, Suite 100
Bakersfield, CA 93309

BLM

Ron Fellows, Del Fortner, Jeff Prude - Bakersfield District Office
Nick Douglas - Caliente RA Office

cc: all w/attachments

Jim Abbott	CRA ✓
Dave Moore	CRA
Kent Varvel	CRA
Patti Gradek	BDO
Ed Hastey	CSO
Bob Anderson	CSO
Paul Dunlevy	CSO
Hillary Oden	WO
Ed Brannon	CDOGGR 5075 S. Bradley Rd., Suite 221 Santa Maria, CA 93455

ATTACHMENT V

3100
(CA-015.2)

Dear Oil and Gas Operator,

The Sump Closure Subcommittee of the Oil and Gas Work Group developed the enclosed "Oilfield Surface Impoundment Closure Guidelines". The Subcommittee consists of representatives from Industry, CDOGGR, and BLM. The final guidelines were presented to and accepted by the Oil and Gas Work Group June 9, 1993. Effective immediately, these guidelines should be used for all surface impoundment closures on federal land within the operational jurisdiction of the BLM's Caliente Resource Area.

These guidelines supersede any existing Caliente Resource Area Oilfield Sump Closure Guidelines. The guidelines do not apply to surface impoundments for which there is existing regulation on procedures for closure (for example, drilling pits). The Central Valley Regional Water Quality Control Board (RWQCB) in Fresno (or other RWQCB) may issue a "General Order" which would regulate the closure of surface impoundments throughout their respective regions. If such an order is issued, it will replace the enclosed (new) guidelines. However, until a General Order is issued, these guidelines will be used.

These guidelines request the Operator to provide information on the location and depth to groundwater aquifers beneath the impoundments planned for closure. The California Division of Oil and Gas and the Kern County Water Agency are probably the best sources of this information.

We look forward to the use of these guidelines as a method of eliminating surface impoundments while protecting the environment and addressing the concerns of Industry, the State of California, and the BLM. We remind the Operators that it is their responsibility to comply with OSHA regulations governing employee exposure to volatile hydrocarbons, APCD regulations regarding concentrations of volatile hydrocarbons permitted in "road mix", and all other applicable Federal and State regulations.

STEP 1

Perform preliminary work and testing described in Attachment 1.

STEP 2

Submit BLM Form 3160-5 "Sundry Notices and Reports on Wells" (Attachment 8). Provide information in Attachment 2. Sign and return a copy of Attachment 7, Statement of Responsibility.

STEP 3

BLM receives Sundry and considers closure's impact on other resources and activities.

STEP 4

BLM sends approved Sundry to Operator with:

1. Letter of approval, and
2. Conditions of approval

All changes to this approved plan must be communicated to and approved by the BLM.

STEP 5

Excavate and process or dispose of sludge as specified in the approved Sundry. The presence of sludge will be determined using ASTM Method D4318 (Attachment 4).

Effective Date
July 1, 1993

STEP 6

Excavation may cease following removal of the sludge if the following is documented to the BLM:

1. There is no known aquifer beneath the sump or the shallowest groundwater beneath the sump is an EPA exempted aquifer, or

2. the sump is in a field where a hydrocarbon bearing zone extends to the surface.

If either of these two conditions are applicable, proceed to Step 8. Otherwise, proceed to Step 7.

STEP 7

If the conditions in Step 6 do not apply, excavation must continue until all visibly stained soil is removed

OR

the Operator will provide the information in Attachment 6, Step 3.d. in the "Subsequent Report of Abandonment".

STEP 8

Collect one composite sample from the bottom of the excavation (same procedure as in Attachment 1, Step 2). Submit the sample for the following analyses:

1. Total Petroleum Hydrocarbons (EPA 418.1).

2. General Minerals (Attachment 5).

3. Benzene, Toluene, Ethylbenzene, Xylene (BTEX), (EPA 8020).

STEP 9

Photograph "post-excavation" conditions at the site. Date and label the photographs.

STEP 10

Fax or send to the BLM the results of sample analyses from step 8 and a request for approval to backfill. BLM may grant approval by phone subject to the results of the analyses. A BLM on-site inspection may be needed prior to approval.

STEP 11

Backfill the site. Grade and compact to prevent ponding. If no development is planned for the site, place one foot of uncompacted soil as a final cover. Three percent grading after compaction is recommended.

STEP 12

Photograph "post-work" conditions at the site. Date and label the photographs.

STEP 13

Submit BLM Form 3160-5: "Sundry Notices and Reports on Wells" (Attachment 9). Provide information in Attachment 6.

STEP 14

BLM evaluates the "Subsequent Report of Abandonment" Sundry. If no additional work is needed and site reclamation has been successful, the Subsequent Report will be approved.

Attachment 1
Preliminary Work and Testing

Note: The following guidelines are applicable to oilfield surface impoundment closures on Federal leases in the Bakersfield District of the Bureau of Land Management (BLM). The Operator understands, agrees, and acknowledges that the oilfield surface impoundment closure procedures required by the BLM herein, attempt to set forth responsible oilfield reclamation procedure. However, BLM in no manner represents or guarantees that compliance with these sump closure procedures constitutes full compliance with all applicable federal, state, and local laws and regulations governing oilfield sump closures which may be applicable either now or in the future. BLM neither guarantees that compliance with these guidelines will release an operator from existing or future responsibility or liability related to the siting, use, closure, or post-closure of a sump, including any environmental or hazardous waste laws; nor does BLM agree to accept any liability for or indemnify an operator against such existing or future responsibility or liability.

1. Remove all free liquids and process or dispose in accordance with all applicable federal, state, and local laws and regulations.

2. Collect and analyze at a State certified laboratory one composite sludge sample for Inorganic Toxic Substances (Attachment 3) and for any other hazardous constituents that the Operator suspects might be present.

The composite will be a mixture of a minimum of four samples collected within five feet of each side of the impoundment at a depth of 0-2 feet into the sludge. (Two of the samples will be within five feet of the inlet and outlet of the sump). Half of this composite will be used for the tests in Attachment 3, and the other half will be retained as an individual sample by the lab in case further testing is needed. Provide the results to the BLM with the "Sundry Notice - Form 3160-5", as described in Attachment 2.

On a limited basis, BLM may request additional testing when the conditions warrant it.

3. **If hazardous levels of inorganic toxics are present or non-exempt hazardous wastes are present, contact BLM, the appropriate Regional Water Quality Control Board (RWQCB), and appropriate federal and state spill response authorities as required, by phone and in writing. Provide BLM with a copy of the written notification sent to the RWQCB.**

RWQCB, with input from the BLM, will develop specific written requirements for closure. These guidelines cannot be used.

4. If the sludge is non-hazardous, proceed under these closure guidelines.

5. As a condition of approval of the Sundry, the Operator understands, agrees, and acknowledges that the testing described in Attachment 1 Step 2 of these Guidelines is the minimum acceptable testing and that approval of the Sundry Notice by BLM in no way relieves the Operator from their obligation, either now or at any time in the future, to perform all the appropriate testing described in Section 66261.24 of Title 22, or other applicable federal, state, or local laws and regulations, or to self-certify that the waste is non-hazardous as allowed by Section 66260.200 (c) of that Title.

If the Operator does not use the self-certification process, then the following analytical results must accompany the Sundry application: Inorganic Toxics, pH, Fluoride, Flashpoint, Reactivity, and Aquatic Toxicity.

In either case, the Operator must state in the Sundry whether they are self-certifying or performing the full suite of tests, and they must state that they take full responsibility for the proper disposition of the excavated materials.

Attachment 2
Information Required for "Notice of Intent to Abandon" Sundry

1. Check the boxes - "Notice of Intent" and "Abandonment" (see Attachment 8 - Example "Notice of Intent to Abandon").

2. Describe sump location by providing the name of the oil field, lease, 1/4 Section, Township and Range, nearest well from Munger map, and applicable Waste Discharge Requirements number. Also include a site map showing the location of the sump with:

   a. survey coordinates or

   b. distance and direction or azimuth from permanent landmarks (Examples of permanent landmarks are wells or benchmarks. Buildings and other facilities are not permanent landmarks.) or

   c. indicate on an aerial photograph of known scale.

3. Briefly describe the history of the sump including when it was installed, size and past uses. Indicate the depth to the nearest aquifer and whether it is "exempted" by EPA. Cite the source of information used to ascertain the depth to the nearest aquifer. Indicate the API gravity of the crude in the sump. Photograph "pre-work" conditions at the site. Date and label all photographs.

4. State the project intentions, i.e., removal of sump, excavation of contaminated soil, replacement with above-ground tanks, etc. If sump removal involves other associated actions, submit all actions on one Sundry Notice. Note: Endangered species and/or archaeological reviews may be required prior to any surface disturbing activities.

5. The Operator must submit a proposal for excavation and disposal of sump materials, including the type of disposal, other possible uses of the materials, and their final destinations. If the Operator proposes to use non-hazardous sump materials for road surfacing on the lease, a map must be attached to the Sundry showing the roads where it is proposed for placement. The Operator is responsible for complying with Air Pollution Control District (APCD) regulations regarding this practice.

6. The Operator must submit a proposal for site reclamation (including proposed source of fill material).

7. Include the information requested in Attachment 1, steps 2 and 5.

8. Sign and return to the BLM a copy of Attachment 7, Statement of Responsibility.

Attachment 3
Inorganic Toxic Substances

Section 66261.24(a) 2 (A) of Title 22 of the California Code of Regulations is a list of "Inorganic Persistent and Bioaccumulative Toxic Substances". These substances are referred to as "Inorganic Toxic Substances" in these guidelines.

A waste exhibits the characteristic of toxicity, and is a hazardous waste under State law, if it contains an inorganic substance in the following list and its concentration equals or exceeds its Total Threshold Limit Concentration (TTLC).

If the TTLC levels are not equaled or exceeded but the concentration is 10 times or more greater than the Soluble Threshold Limit Concentration (STLC) value, the Waste Extraction Test (WET) must be conducted. The results of the WET are compared to the STLC levels in the table. If the concentration equals or exceeds the STLC, the waste is a hazardous waste.

Substance	STLC - mg/l	TTLC - mg/kg
Antimony and/or antimony compounds	15	500
Arsenic and/or arsenic compounds	5	500
Barium and/or barium compound (excluding barite)	100	10,000
Beryllium and/or beryllium compounds	0.75	75
Cadmium and/or cadmium compounds	1	100
Chromium (VI) compounds	5	500
Chromium and/or chromium (III) compounds	5	2,500
Cobalt and/or cobalt compounds	80	8,000
Copper and/or copper compounds	25	2,500
Fluoride salts	180	18,000
Lead and/or lead compounds	5	1,000
Mercury and/or mercury compounds	0.2	20
Molybdenum and/or molybdenum compounds	350	3,500
Nickel and/or nickel compounds	20	2,000
Selenium and/or selenium compounds	1	100
Silver and/or silver compounds	5	500
Thallium and/or thallium compounds	7	700
Vanadium and/or vanadium compounds	24	2,400
Zinc and/or zinc compounds	250	5,000

Attachment 4
MODIFIED PLASTIC LIMIT TEST
ASTM D 4318

This modified plastic limit test is to be used to determine the presence (or absence) of residual sludge in the bottom of oil field surface impoundments being closed using the procedures mandated in the Surface Impoundment Closure Guidelines. The test is a qualitative analysis to determine the depth of excavation required to eliminate all sludge material from an impoundment prior to backfilling. The test determines whether excavated materials are solids or sludge by virtue of their ability to form "worms" when rolled between gloved hands.

1. **Sampling:**

A. To "calibrate" the test, a one quart sample of sludge should be taken after all liquids have been removed from the impoundment but prior to initiating aggressive excavation of the impoundment. This sample will be labeled "Sample 1".

B. When the apparent limit of sludge has been excavated, another one quart sample is collected and stored in its own container.

2. Procedure:

A. Using rubber gloves, remove approximately one tablespoon of material from "Sample 1" and, initially applying light pressure, begin rolling the material between the palms.

If the sample spreads between the palms and does not begin to form "worms", excavation must continue.

B. All subsequent samples taken during the excavation are processed as described in step 2 (A) above, until "worms" form when the sample is rolled. If necessary, the retained portion of "Sample 1" should be re-analyzed from time to time to "calibrate" the sampler's hands.

3. Documentation:

A. As part of the final report described in the Surface Impoundment Closure Guidelines, photographs of the impoundment must be taken at the depth that the testing indicates that all sludge has been removed and prior to initiating backfilling operations.

Attachment 5
General Minerals Analysis

	Method Number
Boron	SW 6010
Conductivity	EPA 120.1
Chloride	EPA 325.2
pH	EPA 150-1
Sodium	AA method 7770
Sulfate	EPA 375.2

Attachment 6
Information Required for "Subsequent Report of Abandonment" Sundry

1. Use form 3160-5 "Sundry Notices and Reports on Wells" (see Attachment 9 - Example "Subsequent Report of Abandonment).

2. Check the boxes - "Subsequent Report" and "Abandonment".

3. Submit a final closure report to the BLM and Regional Water Quality Control Board. At the same time, the Division of Oil and Gas will be provided the information contained in (d) below. At a minimum, the report will include the following four items:

   a. Photographs of "Pre-work", "Post-excavation" and "Post-work" conditions. Date and label all photographs.

   b. Results of work performed in steps 1, 5-8, and 11.

   c. Documentation of impoundment location (restate location description from Attachment 2, step 2), size, and description of operations. Include the depth and estimated volume of the excavated material.

   d. State whether any visibly stained soil was left in place. If any visibly stained soil was left in place overlying an aquifer that is not EPA exempt, indicate the distance between the bottom of the excavation and that aquifer. Provide a rationale on how the groundwater is protected from the effects of remaining materials.

   e. The Operator must state in the "Subsequent Report of Abandonment,": "The Operator understands, agrees, and acknowledges BLM DOES NOT WAIVE THE RIGHT to require the Operator to further investigate and/or address any environmental condition at the site caused by the sump in accordance with applicable laws and regulations."

All of the items in steps 1-3 must be provided in order for the Subsequent Report of Abandonment to be approved.

Attachment 7
Statement of Responsibility

OILFIELD SURFACE IMPOUNDMENT CLOSURE GUIDELINES
BUREAU OF LAND MANAGEMENT - BAKERSFIELD DISTRICT

The above referenced guidelines are applicable to oilfield surface impoundment closures on Federal leases in the Bakersfield District of the Bureau of Land Management (BLM). The Operator understands, agrees, and acknowledges that the oilfield surface impoundment closure procedures required by the BLM therein, attempt to set forth responsible oilfield reclamation procedure. However, BLM in no manner represents or guarantees that compliance with these sump closure procedures constitutes full compliance with all applicable federal, state, and local laws and regulations governing oilfield sump closures which may be applicable either now or in the future. BLM neither guarantees that compliance with these guidelines will release an operator from existing or future responsibility or liability related to the siting, use, closure, or post-closure of a sump, including any environmental or hazardous waste laws; nor does BLM agree to accept any liability for or indemnify an operator against such existing or future responsibility or liability.

____________________ Print Name	____________________ Signature
____________________ Title	____________________ Date
____________________ Company name	

ATTACHMENT VI

Chevron

Chevron U.S.A. Production Company
Lost Hills/Coalinga Profit Center
Mail Address: PO Box 1392, Bakersfield, CA 93302

T. F. Harrison
Operations Manager

Bakersfield, California
May 26, 1994

APPROVAL OF ISSUE SUMMARIES FOR THE FINAL REPORT TO THE OIL AND GAS WORK GROUP

SUBCOMMITTEE MEMBERS:

Attached for your review and comment are the Executive Summary and summaries for each issue addressed by the Well Abandonment Subcommittee. Also attached is the Table of Contents for the final report.

The final report to the Oil and Gas Work Group will contain all of the material in the Table of Contents. The materials in Section 1 are attached to this letter for your approval. You should have a copy of all of the materials in Section 2, 3, 4, and 5. These materials have been reviewed and approved by each of the Subcommittee members. If you have misplaced any of the materials in Sections 2 through 5 and would like another copy of a particular item before you receive the final Subcommittee report, please give me a call.

If you have any comments, corrections, revisions, or additions please give me a call (805-633-4331) or FAX (805-392-3837) or mail them to me at:

P. O. Box 1392
Bakersfield, California 93302

If I do not hear from you by June 16, I will conclude that the Executive Summary, issue summaries and final report format are approved as proposed and written.

As agreed in our meeting of March 30, 1994, if no major changes or concerns are proposed for the issue summaries, I will make the requested minor changes and revisions and submit the final report to the Oil and Gas Work Group and to all of the Subcommittee members. If major concerns are expressed, I will call a meeting of the Subcommittee to resolve the concerns.

Ray Magee

Ray Magee
Well Abandonment
Subcommittee Chairman

BLM / DOG / INDUSTRY OIL AND GAS WORK GROUP

WELL ABANDONMENT SUBCOMMITTEE

Page 1

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BLM / DOG / INDUSTRY OIL AND GAS WORK GROUP

WELL ABANDONMENT SUBCOMMITTEE

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BLM / DOG / INDUSTRY OIL AND GAS WORK GROUP

WELL ABANDONMENT SUBCOMMITTEE

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WELL ABANDONMENT SUBCOMMITTEE REPORT

DRAFT

TO THE

BLM / DOG / INDUSTRY OIL AND GAS WORK GROUP

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EXECUTIVE SUMMARY

DRAFT

INTRODUCTION AND PROCESS DETERMINATION

There is a lot of concern about the issues concerning well abandonment requirements within Industry ,as well as, within the BLM and DOG. These issues have caused misunderstandings between Industry, BLM and DOG and between the BLM and DOG, with Industry in the middle.

The volatility of these issues were of great concern in developing a format for a subcommittee to address well abandonment requirements in a constructive manner. After discussions with both the BLM and DOG and various Industry representatives a plan to address the concerns regarding well abandonment requirements was developed. The goals of this plan were to:

1) Minimize Conflict
2) Encourage Communication
3) Allow Open Discussion
4) Gain Understanding
5) Facilitate Compromise

With these goals in mind, a format for the Subcommittee approach to determine the well abandonment issues and to develop a resolution or an action plan for each of the issues of concern to Industry, BLM, and DOG was proposed to the Subcommittee members.. The following process was approved by the Subcommittee.

1. The BLM and the DOG make presentations of their respective abandonment requirements to the other Subcommittee members.
2. The Subcommittee members "Brainstorm" a list of issues of concern to Industry.
3. The Subcommittee members "Brainstorm" a list of issues of concern to the BLM and DOG.
4. Industry members volunteer to champion the issues of greatest concern. The champions of each issue are required to prepare an oral presentation to the Subcommittee and a written presentation for later review by the BLM and DOG and any future committees that may wish to review the issue.
5. Each champion of a issue gives a presentation of his issue at a regular meeting of the Subcommittee.
6. The Subcommittee then discusses the issue for clarification.
7. The BLM and DOG reviews the issue between Subcommittee meetings.
8. The BLM and DOG present their position on the issue at the next meeting of the Subcommittee.

DRAFT

9. The Subcommittee then discusses the BLM and DOG positions on the issue for clarification

10. The Industry members submit their concerns, in writing, about the positions taken by the BLM and DOG on each issue.

The above process proved to be very successful in fulfilling the goals of the Subcommittee plan. In addition this process also:

- Improved Relationships between:
  - Industry and BLM
  - Industry and DOG
  - BLM and DOG

- Improved Understanding of:
  - Industry Concerns
  - BLM Concerns
  - DOG Concerns

- Resolved Some Issues

- Identified Issues Requiring Further Work

Chevron

Chevron U.S.A. Production Company
P.O. Box 1392
Bakersfield, CA 93302

Bakersfield, California
August 4, 1994

FINAL REPORT OF THE OIL AND GAS WORK GROUP WELL ABANDONMENT SUBCOMMITTEE

SUBCOMMITTEE MEMBERS:

Attached is the Final Report of the *BLM / DOG / Industry Oil and Gas Work Group Well Abandonment Subcommittee.* I would like to take this opportunity to thank each member of the Subcommittee for your contributions and support.

Although the process was a long one, I feel that the end product of the Subcommittee was good. I feel especially good about the relationships that were established, and improved, through this Subcommittee. I believe that the communication between the BLM, DOG, and Industry has been greatly enhanced as a result of our efforts. Again, thank you for your commitment.

If you have any questions, please give me a call at (805) 633-4331.

Ray Magee

Ray Magee
Well Abandonment
Subcommittee Chairman

BLM / DOG / INDUSTRY
OIL AND GAS WORK GROUP

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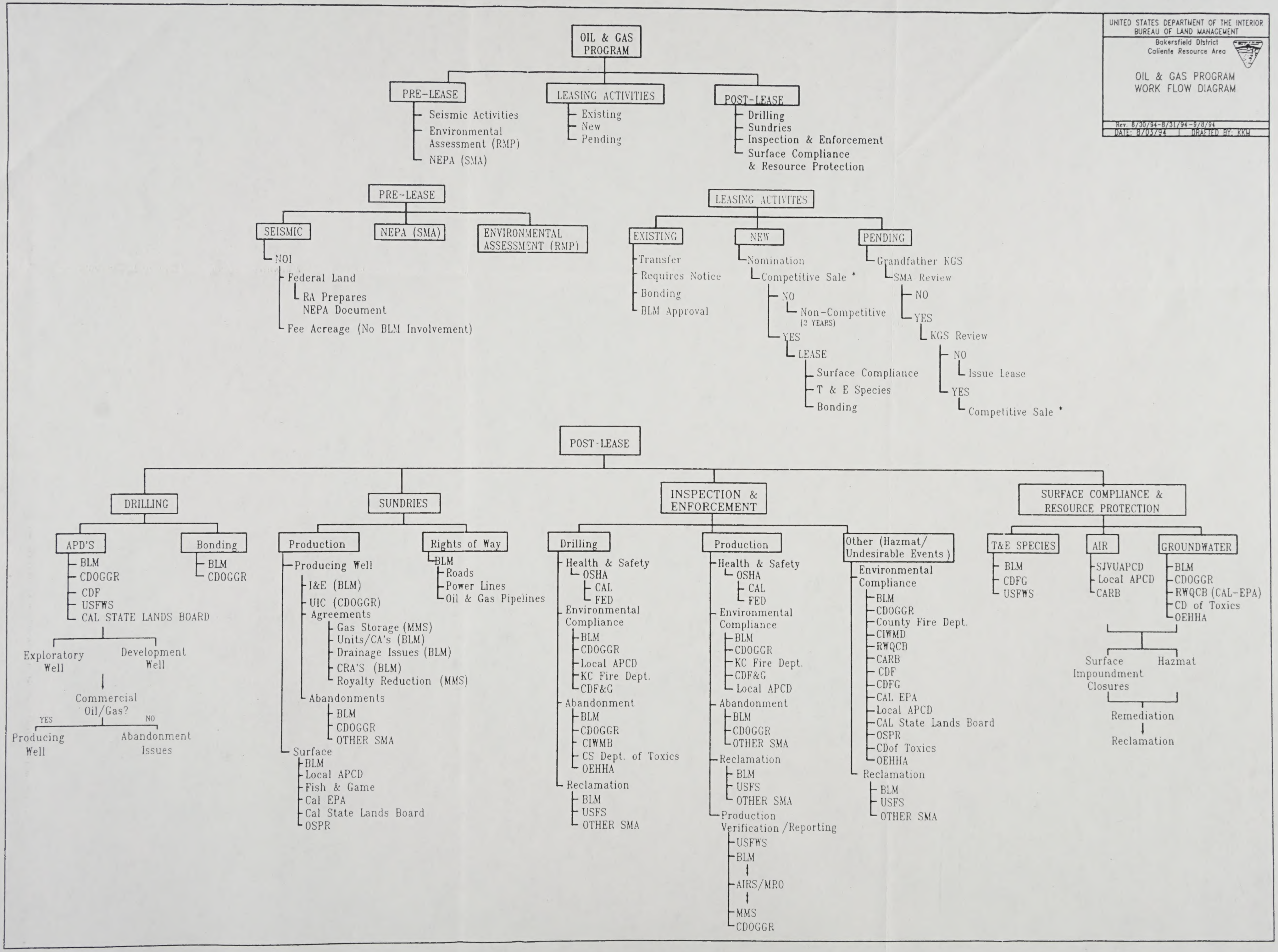

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bakersfield District
Caliente Resource Area

OIL & GAS PROGRAM
WORK FLOW DIAGRAM

Rev. 8/30/94-8/31/94-9/8/94
DATE: 8/03/94 | DRAFTED BY: KKM

- OIL & GAS PROGRAM
  - PRE-LEASE
    - Seismic Activities
    - Environmental Assessment (RMP)
    - NEPA (SMA)
  - LEASING ACTIVITIES
    - Existing
    - New
    - Pending
  - POST-LEASE
    - Drilling
    - Sundries
    - Inspection & Enforcement
    - Surface Compliance & Resource Protection

- PRE-LEASE
  - SEISMIC
    - NOI
      - Federal Land
        - RA Prepares NEPA Document
      - Fee Acreage (No BLM Involvement)
  - NEPA (SMA)
  - ENVIRONMENTAL ASSESSMENT (RMP)

- LEASING ACTIVITES
  - EXISTING
    - Transfer
    - Requires Notice
    - Bonding
    - BLM Approval
  - NEW
    - Nomination
      - Competitive Sale *
        - NO
          - Non-Competitive (2 YEARS)
        - YES
          - LEASE
            - Surface Compliance
            - T & E Species
            - Bonding
  - PENDING
    - Grandfather KGS
      - SMA Review
        - NO
        - YES
          - KGS Review
            - NO
              - Issue Lease
            - YES
              - Competitive Sale *

- POST-LEASE
  - DRILLING
    - APD'S
      - BLM
      - CDOGGR
      - CDF
      - USFWS
      - CAL STATE LANDS BOARD
        - Exploratory Well
        - Development Well
          - Commercial Oil/Gas?
            - YES: Producing Well
            - NO: Abandonment Issues
    - Bonding
      - BLM
      - CDOGGR
  - SUNDRIES
    - Production
      - Producing Well
        - I&E (BLM)
        - UIC (CDOGGR)
        - Agreements
          - Gas Storage (MMS)
          - Units/CA's (BLM)
          - Drainage Issues (BLM)
          - CRA'S (BLM)
          - Royalty Reduction (MMS)
        - Abandonments
          - BLM
          - CDOGGR
          - OTHER SMA
      - Surface
        - BLM
        - Local APCD
        - Fish & Game
        - Cal EPA
        - Cal State Lands Board
        - OSPR
    - Rights of Way
      - BLM
        - Roads
        - Power Lines
        - Oil & Gas Pipelines
  - INSPECTION & ENFORCEMENT
    - Drilling
      - Health & Safety
        - OSHA
          - CAL
          - FED
      - Environmental Compliance
        - BLM
        - CDOGGR
        - Local APCD
        - KC Fire Dept.
        - CDF&G
      - Abandonment
        - BLM
        - CDOGGR
        - CIWMB
        - CS Dept. of Toxics
        - OEHHA
      - Reclamation
        - BLM
        - USFS
        - OTHER SMA
    - Production
      - Health & Safety
        - OSHA
          - CAL
          - FED
      - Environmental Compliance
        - BLM
        - CDOGGR
        - KC Fire Dept.
        - CDF&G
        - Local APCD
      - Abandonment
        - BLM
        - CDOGGR
        - OTHER SMA
      - Reclamation
        - BLM
        - USFS
        - OTHER SMA
      - Production Verification /Reporting
        - USFWS
        - BLM ↕
        - AIRS/MRO ↕
        - MMS
        - CDOGGR
    - Other (Hazmat/ Undesirable Events)
      - Environmental Compliance
        - BLM
        - CDOGGR
        - County Fire Dept.
        - CIWMD
        - RWQCB
        - CARB
        - CDF
        - CDFG
        - CAL EPA
        - Local APCD
        - CAL State Lands Board
        - OSPR
        - CDof Toxics
        - OEHHA
      - Reclamation
        - BLM
        - USFS
        - OTHER SMA
  - SURFACE COMPLIANCE & RESOURCE PROTECTION
    - T&E SPECIES
      - BLM
      - CDFG
      - USFWS
    - AIR
      - SJVUAPCD
      - Local APCD
      - CARB
    - GROUNDWATER
      - BLM
      - CDOGGR
      - RWQCB (CAL-EPA)
      - CD of Toxics
      - OEHHA
    - Surface Impoundment Closures / Hazmat
      - Remediation
        - Reclamation

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

February 13, 1995

3160
(WO-610)

Instruction Memorandum No. 95-
Expires 2/28/96

To: All State Directors

From: Director

Subject: Gas Flaring/Venting, and Oil Sampling

ISSUE:

1. **Gas Flaring/Venting, NTL-4A:**
NTL-4A authorizes lessees or operators to flare/vent gas on a short-term basis without incurring a royalty obligation during emergencies, well purging and evaluation tests, initial production tests, and routine or special well tests. No flaring/venting is allowed during routine maintenance without incurring royalty obligation. Routine maintenance will prevent many temporary emergencies; BLM should encourage prevention of emergency situations.

2. **Oil Sampling, Onshore Order No. 4:**
Onshore Order No. 4, IIIC.3, Oil Sampling states that all samples shall be taken from the contents of the sales tank prior to gauging after allowing the tank contents to settle for at least 30 minutes following isolation of the tank, in accordance with the procedures specified in the API standard. Sampling of oil to be sold from sales tanks is required and shall be conducted in such fashion as to yield a representative sample of the oil for purposes of determining the physical properties of the oil.

However, this order was written for light crude. Gauging a tank of heavy crude (less than 20 degrees API) does not cause measurable movement of oil and should not make a difference in oil sampling within the 30 minutes immediately following gauging.

Some operators prefer to take oil samples after gauging the tank. Taking oil samples before or after gauging will not cause any decrease or increase in royalty.

OBJECTIVE:

1. **Gas Flaring/Venting:**
Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-4A: Royalty or Compensation for Oil and Gas Lost) should be modified to treat routine maintenance as an emergency giving operators approval to flare/vent gas without incurring royalty obligation. By virtue of this IM, operators may flare/vent gas on a temporary basis without approval and without incurring a monetary liability during the routine preventive maintenance of production handling and measurement equipment, limited to 24 hours per month. A longer period may be approved by the authorized officer, when appropriate.

2. Oil Sampling:
Onshore Order No. 4 should be modified to allow sampling before or after tank gauging for less than 20 degrees API oil. This will not have any negative impact on royalty stream. By virtue of this IM, field offices are authorized to allow operators to take oil samples before or after gauging the tank.

BACKGROUND AND POLICY:

1. Gas Flaring/Venting:
Lessees or operators, under NTL-4A, are authorized to flare/vent gas on a short-term basis without incurring a royalty obligation during emergencies (temporary emergency situations, which result in the unavoidable short-term flaring or venting of gas limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month), well purging and evaluation tests, initial production tests, and routine or special well tests. No flaring/venting is allowed, in NTL-4A, during routine maintenance. Waiver from paying royalty should be granted to operators, limited to 24 hours per incident, during routine maintenance.

2. Oil Sampling:
Onshore Order No. 4 was put in place in 1989 to establish requirements and minimum standards for the measurement of oil. These requirements and minimum standards are based on the standards and practices recommended by the American Petroleum Institute. Proper oil measurement ensures that the Federal Government and Indian mineral owners receive the royalties due. However, this order was written for light crude. Gauging a tank of heavy crude (less than 20 degrees API) does not cause measurable movement of oil to make a difference in oil sampling.

Some operators prefer to take oil samples after gauging the tank. Taking oil samples before or after gauging will not cause any decrease or increase in royalty. Field offices are authorized to allow operators to take oil samples before or after gauging the tank.

ROYALTY IMPLICATIONS:

1. Gas Flaring/Venting:
Routine maintenance is done to avoid emergency situation. There will be a minor loss of royalty during routine maintenance. This loss should be offset by prevention of emergency situations due to the lack of maintenance.

2. Oil Sampling:
There will be no negative impact on the federal royalty whether oil samples are taken before or after gauging the tank for oil less than 20 degrees API.

CONTACT PERSON: Any questions regarding the implication of this IM should be referred to Silvet Holcomb at (805) 391-6137.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

3160
(610)

Instruction Memorandum No. 95-__
Expires _/_/_

To: All SD's

From: Director

Subject: Policy Establishment for the use of Diverter Systems in Lieu of Blowout Preventers (BOP) and Related Equipment (BOPE) for Drilling Shallow Oil/Gas Wells and Thermal Recovery (Steam Drive) Wells

DISTRIBUTION: All State, District, and Resource Area Offices with Fluid Minerals responsibilities

ISSUE: The establishment of a policy allowing the Authorized Officer to approve the use of diverter systems in lieu of blowout preventers (BOP) and related equipment (BOPE) for drilling shallow oil/gas and/or thermal recovery (steam drive) wells on a field wide basis. The existing regulations, 43 CFR 3162.5-2(a) as implemented by Onshore Order No. 2, III.A.1., requires the use of blowout prevention equipment on all drilling wells. The only allowance made in the Order is under Section IV that allows the Authorized Officer to approve the use of diverter systems, but only on a case-by-case basis.

BACKGROUND: Currently all wells drilled on Federal lands employ blowout preventers (BOP) and related equipment (BOPE) for well control purposes. An integral part of well control is the surface casing setting depth. Onshore Order No. 2, III.B. requires that the casing seat be set in a competent formation and cemented. Surface casing setting depths are selected to contain pressures resulting from kicks inadvertently taken while drilling deeper sections. Therefore, the selection of a surface casing seat is to avoid underground blowouts by choosing a setting depth that can competently withstand the pressures resulting from kick conditions.

However, the situation does occur where the surface casing seat cannot be set in a competent formation. This situation generally occurs in shallow wells. The formations found at shallow depths tend to be less compacted than deeper formations and therefore less competent. These formations when subjected to induced pressures, such as those imposed by kicks, are more susceptible to breakdown and fracturing.

The drilling of shallow oil/gas and/or thermal recovery (steam drive) wells pose a unique problem of well control. Since the surface casing is generally set at a shallow depth in an incompetent formation, closing in the well during a kick could result in broaching (fracturing to the surface). Broaching of the surface casing usually results in the loss of the well and rig, environmental damage, possible loss of human lives, and is to be avoided. If the well cannot be closed in without risk of broaching, a diverter system should be employed to decrease the problems of regaining well control.

The purpose of a diverter system is to divert the flow from a kick away from the rig. The well is not closed in when using a diverter system because it has been established in the drilling program that the formation at the casing shoe cannot withstand the shut-in pressures, and further, there exists the possibility that the gas or steam from the kick could surface near the rig. Therefore, the diverter

ATTACHMENT 7

system is arranged that when the annular preventer closes the diverter line (blow down line) valve opens directing the flow away from the rig personnel and rig.

POLICY: The following policy is provided to ensure consistency among all BLM Offices with fluid minerals responsibilities when allowing the use of diverter systems for drilling shallow oil/gas wells and thermal recovery (steam drive) wells on a field wide basis.

The use of diverter systems in lieu of blowout prevention equipment within a given field/area will require approval of the Authorized Officer.

An operator desiring to use a diverter system within a given field/area shall submit a written application to the Authorized Officer for review. As a minimum the operator's written application shall contain the following:

1.) A stratigraphic cross-section of the field/area indicating the formations that will be penetrated by the proposed drilling operations.

2.) A structural contour map for each formation within the field/area that will be penetrated by the proposed drilling operations.

3.) A written narrative describing the competency of the formations that will be penetrated by the proposed drilling operations.

4.) An isobaric map for each oil/gas or thermal recovery (steam drive) zone that will be penetrated by the proposed drilling operation.

5.) Thermal recovery (steam drive) field/area only, an isothermal map for each zone that will be penetrated.

6.) A fracture gradient map along with the fracture gradient calculations for the field/area.

7.) A written narrative describing how a kick will be controlled along with a schematic of the diverter system that will be used for the proposed drilling operations.

The Authorized Officer after review of the application, and any other factors deemed relevant by the Authorized Officer, shall have the discretion to allow the use of diverter systems, in lieu of blowout prevention equipment, for drilling shallow oil/gas wells and/or thermal recovery (steam drive) wells on a field/area wide basis.

IMPLEMENTATION: The above policy is to be implemented effective immediately in all BLM Offices with fluid minerals responsibilities.

HANDBOOK AND MANUAL: The Manual Section 3160-1 and Handbook H-3160-1 will be updated to indicate this policy.

CONTACT PERSON: Dave Moore, Caliente Resource Area Office (CA-016), at (805) 391-6135.

March 6, 1995

IN REPLY REFER TO:

Instructional Memorandum No. 95-

To: State Directors

From: Director

Subject: Modification of lease assignments

ISSUE: Competitive oil & gas lease sales are not always scheduled at regular, predictable intervals. As a result, transfers of relinquished, abandoned, or bankrupt leases, which may only take place by competitive sale (43 CFR 3120.1-1a), are unreasonably delayed. Current policies and practices unnecessarily restrict our options to work with lessees and/or operators in individual cases, resulting in significantly increased costs (to abandon leases) and/or lost revenues to the federal government.

OBJECTIVE: To change policies which may be obstructive when dealing with bankrupt, abandoned, or relinquished leases. Such changes will prevent premature abandonment of reserves, thus producing a continued (predictable) source of federal revenue, and minimizing costs to the American taxpayer.

BACKGROUND AND POLICY: During the past year, BLM has administered a series of cases where lessees have declared bankruptcy, deserted, or relinquished their federal oil and gas leases without properly abandoning their wells. In one case of a bankrupt lessee, transfer/assignment of the lease to a willing new operator could have saved the costs of prematurely abandoning 4 marginal (stripper) wells. With existing operations in the area, a company was willing to clean up the lease, repair dilapidated equipment, and return the wells to production. The difference in potential liability to the federal government represents several hundred thousand dollars in abandonment costs alone. Current policies require that such tracts be nominated for sale in the next competitive lease auction. In areas without a proper land-use planning document, there may be significant delays before the tract may be offered for lease.

The following specific procedures are hereby established for handling **bankrupt, relinquished, or abandoned leases:**

Nota Bene: This procedure would only be used when there is no lessee/operator with the ability or authority to assign the lease. For example, if the bankruptcy has been discharged by the court, and the trustee was not given instructions or funds to fulfill the abandonment obligations; or when the lease has been deserted.

1. Field (District or Resource Area) offices should develop a list of operators who wish to be notified when these type of leases become available.

2. A list of affected leases, with a general description of the property {number of wells, producing formation(s), last reported production, etc.}, will be advertised in local newspapers for a period of 2 days, followed by a response period lasting from 2 to 4 weeks. Companies which operate in the particular field, in addition to those from the lists developed in paragraph 1, above, will also be notified when parcels become available. Interested parties should be instructed to submit written bids to the appropriate BLM State Office within the specified time limit.

3. State Offices shall evaluate the bids, based on criteria set by the appropriate field office. The bid which best fits these established criteria shall be declared the winning bid, and the lease(s) assigned on that basis.

CONTACT PERSON:

Questions or comments should be directed to Jeff Prude (CA-016.87) at (805) 391-6140.

DRAFT

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CALIFORNIA STATE OFFICE
U.S. BUREAU OF LAND MANAGEMENT

A dummy example of an MOU to implement a delegation of authority with the State of California

[illegible]
[illegible]
DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES

I. PURPOSE

This Memorandum of Understanding (MOU) is made and entered into by and between the U.S. Bureau of Land Management in California, hereinafter called the "BLM" and the California Department of Conservation Division of Oil, Gas, and Geothermal Resources, hereinafter called the "Division". The purpose of this MOU is to delineate procedures for regulating oilfield operations where both the BLM and Division have jurisdictional authority, hereinafter called "BLM Land", in order to streamline operations and minimize duplication. Unless otherwise noted, this MOU applies to oilfield operations on all federally owned land operated by the BLM in California, whether that land is owned in total by the federal government or is a "split-estate" (when the federal government owns either the minerals or the surface, but not both). This MOU is not intended to supersede any federal or state compliance with other laws and regulations. This cooperative agreement is entered into with full recognition of the following regulatory mandates/authorities:

REGULATORY RESPONSIBILITIES:

A) The BLM has mandated responsibilities for regulation of all oilfield operations on BLM Land, under Title 43 of the Code of Federal Regulations (CFR), Group 3100 Oil and Gas Leasing, Title 40, Subpart 1500 of the CFR, the National Environmental Protection Act (NEPA), the Endangered Species Act, and other applicable laws. Under Federal Regulations, the BLM as the landowner, is considered to "wholly regulate" all operations (downhole and surface) on all BLM administered lands.

B) The Division has the statutory responsibility under the Public Resources Code (PRC), Division 3, to regulate all oilfield operations in the State of California. The Division is considered by California statute to "wholly regulate" downhole operations and be responsible for appropriate surface regulations. Also, the Division has discretionary authority and is a responsible agency for oil and gas operations under the California Environmental Quality Act (CEQA).

Attachment 9

DRAFT

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CALIFORNIA STATE OFFICE
U.S. BUREAU OF LAND MANAGEMENT

AND

CALIFORNIA DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES

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B) The Division has the statutory responsibility under the Public Resources Code (PRC), Division 3, to regulate all oilfield operations in the State of California. The Division is considered by California statute to "wholly regulate" downhole operations and be responsible for appropriate surface regulations. Also, the Division has discretionary authority and is a responsible agency for oil and gas operations under the California Environmental Quality Act (CEQA).

C) The BLM is mandated to maintain very detailed records of downhole well proposals and post all Applications for Permit to Drill (APD's) for a 30-day public review period. BLM is also mandated to witness more well operations under its APD's and its Sundry Notices to rework or abandon wells than the Division. As the landowner, with significant statutory responsibility, the BLM is responsible for enforcing a wide range of surface land use issues, including groundwater protection, health and safety, and endangered species habitat.

D) The BLM is responsible for assuring production accuracy and integrity under the Federal Oil & Gas Royalty Management Act (Production Accountability Act), classified as "FOGRMA". Leases on BLM Land requiring a high need for BLM oversight, due to production level (12,000 BO/M & 120,000 MCF), legal issues, or environmental considerations, are defined as "FOGRMA High" leases. Other leases on BLM Land are defined as "FOGRMA Low" leases. All "FOGRMA High" leases include BLM-owned minerals. A list of "FOGRMA High" and "FOGRMA Low" leases is attached and made a part of this MOU. A determination for new BLM Land leases, or a determination to re-designate an existing BLM Land/lease may be changed, with the approval of the BLM.

E) The BLM will approve the APD for all prospect wells on BLM lands.

F) Division statutes effectively place liability for downhole well operations with the operator, while BLM, as the landowner, maintains considerable liability for both downhole and surface conditions.

G) BLM and Division Permits to Conduct Well Operations are substantially equivalent in the specifications required to drill, rework, and plug and abandon wells.

II. PROCEDURES

To provide an effective, streamlined, coordinated application and permitting/approval process, and reduce/eliminate duplicative administration of regulations and requirements, the BLM and the Division hereby agree to adhere to the procedures set forth in this MOU. The procedures in this **MOU shall be carried out in a cooperative fashion, to fulfill the objectives of the BLM and the Division and reduce the regulatory burden on industry.**

(A) Downhole Well Operations

1) FOGRMA High Leases

BLM Responsibility:

a) The BLM permits all applications/operations for APDs, Sundries, and Abandonments, on all federal mineral ownership as mandated in the Title 43, Subpart 3160, of the Code of Federal Regulations.

b) Applications and permits for downhole well operations, except for UIC wells (see Section IV), shall be obtained from the BLM. All approvals for variances and all inspections will be granted/conducted by the BLM. In granting approval or variance, the BLM will specify and utilize Division requirements that are clearly more stringent; for example State-defined base-of-freshwater interface abandonment plugs.

c) The BLM will develop the conditions of approval (COA) for each application, and will apply standard Division requirements when they are more stringent than those of the federal government.

d) The BLM, upon approval, will forward a copy of the approval to the Division for their records.

NOTE: Set up operational procedures for transferring info.

Division Responsibility:

a) The Division will accept copies of BLM notices, permits/approval for its records. No separate approval(s) from the Division will be required for any operations on FOGRMA High leases.

b) Operators on FOGRMA High leases will continue to furnish production and injection reports, well histories, and logs to the Division, as required by the Public Resources Code. The Division will serve as the repository for well history and electric logs for both the BLM and the Division. Operators will no longer be required to send copies of electric logs to the BLM.

2) FOGRMA Low Leases

BLM Responsibility:

a) The BLM (National Resource Team) will authorize applications to conduct surface disturbing activities. The BLM will provide Conditions of Approval to comply with requirements for surface disturbance on BLM land.

b) The BLM will accept copies of Division notices, permits/approval for its records. No separate approvals from BLM for downhole operations will be required.

Division Responsibility:

a) The Division permits proposals to drill, redrill or perform work in existing wells that constitutes a permanent mechanical change under Section 3203 of the Public Resources Code (PRC 3203), and to plug and abandon wells (PRC 3232). All approvals for variances and all inspections will be conducted by the Division.

1) The Division permits all applications/operations for APDs, Sundries, and Abandonments, on all federal mineral ownership as mandated in the California Resources Code and will integrate Title 43, Subpart 3160, of the Code of Federal Regulations only where said federal regulations are more stringent than the California Public Resources Code.

2) Applications and permits for downhole well operations, including UIC wells (see Section IV), shall be obtained from the Division. All approvals for variances and all inspections will be conducted by the Division. **In granting approval or variance, the Division will specify and utilize BLM requirements that are clearly more stringent; for example Use of Cavity Shots for well plugging/abandonment.**

3) The Division will develop the conditions of approval (COA) for each application, and will include BLM's requirements when they are more stringent than those of the Division.

b) The Division, upon approval, will forward a copy of the approval to the BLM for their records.

(B) ENVIRONMENTAL LEASE INSPECTIONS

1) FOGRMA High Leases

BLM Responsibility:

a) The inspection and enforcement of compliance for the surface condition of oil and gas leases on BLM land will be the responsibility of BLM. The BLM will inspect the leases, issue citations, and enforce remediation actions, as applicable, in accordance with existing federal regulations.

b) The BLM will set the conditions for the reclamation of the disturbed surface.

c) The operation and proper closure of surface impoundments will be the responsibility of the BLM, in accordance with State Regional Water Quality Control Board (RWQCB) guidelines, jointly adopted by the BLM and the Division in the Oil & Gas Work Group.

Division Responsibility:

a) The Division will notify the BLM if it observes surface environmental, safety, or health violations on BLM land.

b) The Division retains the responsibility to enforce the Public Resources Code, for the protection of a private landowner on a split-estate lease, with BLM-owned minerals, if necessary. The BLM will be notified of such actions.

2) FOGRMA Low Leases

BLM Responsibility:

a) The BLM will notify the Division if it observes surface environmental, safety, or health violations on private land.

b) The BLM retains responsibility to enforce federal land-use statutes on FOGRMA Low leases with BLM-owned surface, if necessary. The Division will be notified of such actions.

Division Responsibility:

a) The Division will enforce provisions of the Public Resources Code, in consultation with the BLM, for the protection of the surface owner and the environment.

b) The Division will inspect the leases, issue deficiencies and violations, and enforce remediation actions, as applicable, in accordance with existing state regulations.

c) The operation and proper closure of surface impoundments will be the responsibility of the RWQCB and the Division, in accordance with RWQCB guidelines jointly adopted by the BLM and the Division in the Oil & Gas Work Group.

(C) ABANDONMENT AND SURFACE RESTORATIONS

1) FOGRMA High Leases

BLM Responsibility:

a) The BLM will receive, evaluate, set the conditions of approval, and authorize any request/application relating to abandonment of leasehold improvements in accordance with all existing federal regulations.

b) Upon completion of restoration activities and notification by the operator, the BLM will inspect the restored surface to ensure that work done is consistent with the conditions of approval. If the conditions of approval are met, the BLM approves the final abandonment notice (FAN).

c) The BLM, upon approval, will forward a copy of the approval to the Division for their records.

Division Responsibility:

a) The Division will receive (from the BLM) and accept the BLM FAN for state records. The Division will issue no report of final abandonment approval.

2) FOGRMA Low Leases

BLM Responsibility:

a) The BLM will receive (from the Division) and accept the Division Final Letter of Abandonment Approval.

Division Responsibility:

a) The Division will receive, evaluate, set the conditions of approval, and approve the abandoned well surface restoration in accordance with the Public Resources Code. Additional BLM COAs may be incorporated.

b) Upon completion of downhole plugging and abandonment operations, including the placement of a cement surface plug at least 5′ below ground level, and an approved well surface restoration, the Division will issue a Final Letter of Abandonment Approval.

c) The Division will forward a copy of the Final Letter of Abandonment Approval to the BLM for its records.

d) If BLM COAs are met, then CDOG approves the FAN.

(D) IDLE/ORPHAN WELL PROGRAM

1) FOGRMA High Leases

BLM Responsibility:

a) The BLM conducts an idle well program under Title 43 CFR 3160, WO-IM-No. 92-149 and CA-94-40 and has adopted a formal idle well policy which was developed in full partnership with the Oil & Gas Industry Work Group. The idle well policies of the BLM and the Division are similar and require testing of long-term idle wells to ensure mechanical integrity and protection of groundwater, and plans to place long-term idle wells back on production or abandon such wells.

b) The BLM will administer its formal idle/orphan well program and policy.

c) In accordance with the Oil & Gas Industry Work Group plan, the BLM will furnish the Division with mechanical integrity test results.

Division Responsibility:

a) The Division will continue to maintain records of five-year idle wells on BLM land for the purpose of enforcing the Public Resources Code.

2) FOGRMA Low Leases

BLM Responsibility:

a) The BLM will have input, as to the status of long-term idle wells on its property.

Division Responsibility:

a) The Division conducts an idle well program under the authority of PRC Sections 3106, 3206, and 3237 and has adopted a formal idle well policy.

b) The Division will administer its formal idle/orphan well program and policy. However, may not grant TA approval for more than one year on federal lands in any area with non-exempt water aquifers.

c) In accordance with the Oil & Gas Industry Work Group plan, the Division will share data with the BLM.

III. BONDING

The BLM and the Division acknowledge that bonding requirements is a significant example of duplicative regulations. Under current provisions of the California Public Resources Code, the Division is mandated to require bond coverage on BLM land. Under current provisions of the Code of Federal Regulations, the BLM is mandated to require bond coverage on all BLM Land oil and gas operations, including FOGRMA Low leases. In recognition of this duplication, the Division expresses its intent to pursue legislative relief from requiring bond coverage on BLM land, hence the following:

BLM Responsibility:

1) The BLM will continue to maintain bond coverage for all operations on BLM lands (surface and minerals) as mandated under Title 43, Subpart 3104 of the Code of Federal Regulations. Under this regulation, the BLM requires bond coverage for operating individual leases.

Division Responsibility:

1) The Division will continue to require a performance bond, in set amounts, for either drilling a new well or making mechanical changes to an existing well, including BLM land/minerals, until the Division obtains legislative relief from requiring individual well bond coverage on BLM land.

IV. UNDERGROUND INJECTION CONTROL (UIC)/FEDERAL ONSHORE ORDER NO. 7 -DISPOSAL OF PRODUCED WATER

The Environmental Protection Agency (EPA), under the provisions of Section 1425 of the Safe Drinking Water Act, has delegated authority (primacy) to the Division to administer the UIC program for Class II injection wells in California, including those on BLM land. It is noted that the Division cannot approve notices to drill, or convert existing well(s) to UIC injection, without an approved UIC project or injectivity test applications.

Title 43, Subpart 3162.5, of the Code of Federal Regulations in conjunction with Federal Onshore Order No. 7 mandate that the BLM approve underground injection and the disposal of produced water on BLM lands. In order to reduce regulatory redundancy, the BLM by virtue of this MOU assigns approval authority of underground injection and the disposal of produced water on BLM lands to the Division. Therefore, the UIC program and Onshore Order No. 7, Disposal of Produced Water, will be conducted as follows:

BLM Responsibility:

A) Prior to project approval:

1) The BLM will receive, from the Division, an approved copy of the project application along with the conditions of approval. No action will be required on the print of BLM.

B) Drilling an injection well outside an approved UIC project area:

1) A well cannot be approved for injection without an approved UIC injection project. Occasionally, an operator will submit notices to drill injection wells prior to UIC project approval on the assumption that the approval will be forthcoming. Injection is not allowed until the project is approved. On FOGRMA High leases, the operator would have to permit such wells with the BLM and subsequently file a notice to convert to injection with the Division.

C) Abandonment of Injection Well(s):

1) On FOGRMA High leases, notices to conduct downhole well operations to abandon existing UIC injection well(s) will be filed on a Sundry Notice with the BLM and receive BLM approval. Abandonments will be approved and specified in accordance with proper UIC guidelines. A copy of the notice and permit will be furnished to the Division, and the Division will have an opportunity to review and comment.

D) Cyclic Steam Wells:

1) Wells used to inject steam on a cyclic basis, in conjunction with cyclic production, will be treated as production wells, except for specific injection issues. On FOGRMA High leases, the operation of cyclic steam wells and permits to perform work on cyclic steam wells will be administered by the BLM.

E) Conversion of UIC Wells to Production Wells:

1) On FOGRMA High leases, notices to convert existing UIC injection wells to production wells will be filed on a Sundry Notice with the BLM. A copy of the notice and permit will be furnished to the Division.

F) Gas Injection Wells/Projects:

1) The injection of gas for pressure-maintenance or gas storage is not categorized as UIC and is, therefore, not under EPA jurisdiction. On FOGRMA High leases, responsibility for gas injection project approval and administration, and for gas injection well operation and permitting will be the BLM.

2) The BLM will ensure that the Division and all offset operators within at least one-quarter mile of a proposed gas injection project are notified of the proposal.

3) The BLM will furnish project data and information to the Division.

Division Responsibility:

A) Under UIC Primacy, the Division will receive and approve all UIC Injection Projects (water disposal, waterflood, steam flood, etc). Subsequently, the Division will prepare a draft approval letter, in accordance with statutory requirements, and furnish a copy of the draft document to BLM. The final approval by the Division will address BLM comments and concerns.

B) Applications for aquifer exemptions will be filed with the Division and processed in accordance with EPA guidelines. A copy of applications located on, or which would include BLM Land, will be forwarded to the BLM for review and comment as described under BLM responsibilities in this section.

C) Notices to conduct downhole well operations to drill new UIC injection wells, rework existing UIC injection well(s), or convert existing non-UIC producing wells to UIC injection wells will be filed with the Division and approved with a Permit to Conduct Well Operations. A copy of the notice and permit will be furnished to the BLM by the Division.

D) The Division will keep files of Cyclic Steam Project letters of intent and any related correspondence. Copies of Cyclic Steam Project letters will be furnished to the BLM. The Division will be responsible, in consultation with the BLM, for any issue related to cyclic steam projects or wells that is specifically related to the steam injection phase.

V. DESERTED AND/OR POTENTIAL HAZARDOUS/DESERTED WELL ABANDONMENT FUNDS

The BLM does not maintain a fund for hazardous/idle-deserted wells, however, the BLM (Washington Office), provides ad hoc funding, on an annual basis, to cover such situations. It is not certain this funding will continue under the present budget structure. The Division maintains the Hazardous/Idle-Deserted Well Abandonment fund (PRC 3250), presently authorized for $600,000 per year; the Abandonment and Pollution Abatement Fund (PRC 3237), used to abandon deserted wells; and the Unbonded Idle Well Fee Abandonment Fund (PRC 3206). Both the BLM and the Division maintain lists of wells and leases that are considered deserted and/or potentially hazardous.

By virtue of this agreement, the BLM may apply and receive funds to remediate well(s) classified as deserted and/or potentially hazardous. A standing subcommittee of the Oil & Gas Industry Work Group will be created and meet on a regular basis to exchange information on hazardous, deserted, and idle-deserted wells and leases, and explore ways in which available funding can be used most effectively and efficiently.

VI. PRODUCTION ACCOUNTABILITY AND REPORTING

The BLM, as the land owner, has the responsibility for a secure chain of custody for the hydrocarbon product. The federal regulations require that all oil, water, and gas produced be reported to the Minerals Management Service (MMS) on a monthly basis. Furthermore, BLM field personnel conduct detailed production accountability inspection to verify production. By the same

token, the Division requires that all oil, water, and gas production be reported on a monthly basis (PRC 3227). Therefore, by virtue of this agreement, the Division will accept the MMS production reporting requirement format.

VII. EXCHANGE OF RESOURCES/INFORMATION

A. Well Records and Technical Information

The BLM and the Division will exchange and make available well records and other technical information, not subject to confidentiality limitations, within reasonable guidelines. Publications, maps, and copies will be exchanged at no cost, to the extent practicable. The exchange will include access to technical training, when reasonably available.

The BLM and the Division agree to use the Division as a repository for well records, electric logs, and oilfield tank inventory. Therefore, the BLM will not have to conduct an independent tank inventory nor require operators to submit well logs to the BLM. The BLM will have unlimited access to the Division's records.

B. Oil and Gas Industry Work Group

This MOU acknowledges the Oil and Gas Industry Work Group. The Group will meet regularly and may form subcommittees to address specific issues. The Group will conduct the Oil and Gas Industry Conference, as a forum for the industry and public at large. The Group may make **recommendations to the BLM and the Division, either collectively or individually.**

C. Combining Resources

The BLM and the Division recognize that it is in the best interest of the respective agencies, and the public to exchange information and combine resources where possible. This MOU is not intended to limit such partnerships or make them exclusive.

D. Personnel:

The BLM and the Division will exchange personnel (petroleum engineers (PE), petroleum engineering technicians (PETs), geologists, surface compliance specialists, and other essential field staff) for periods not to exceed ninety (90) days at any given time. This implies that BLM staff will be detailed to work in the Division's office while an equivalent number of Division staff will be detailed to work in BLM office for a period of ninety (90) days at a time. Both the BLM and the Division agree that only employees of equivalent classification will be exchanged at any time. This process will help familiarize the BLM and the Division with each other's functions and operational processes.

VIII. DURATION OF AGREEMENT

This MOU will be effective upon signature of the designated parties. It may be modified upon the initiative of either party for the purpose of ensuring consistency with Federal and/or State statutes or regulations, or for any other purpose mutually agreed upon. This MOU can be terminated by either party by providing written notice at least 45 days before the termination date.

IX. CONCLUSION

This MOU replaces and nullifies all other MOU's presently in effect between the BLM and the Division. This MOU may be modified in the future, by mutual consent and agreement of the BLM and the Division, as conditions warrant. This MOU does not limit the BLM and the Division from reaching other agreements, within the limit of their statutory responsibilities and authority, either with each other or with other parties or agencies. Nothing in this MOU may supersede or exceed the statutory or regulatory authority, or responsibility of either agency.

Following is a list of regulations for which we request waivers or revisions under the California PRT Charter:

1. 43CFR 3162.4-1(c)- Well Records and Reports: This regulation requires the operator to notify the authorized officer within 5 business days after a new well or any SI/TA well is returned to production. The operator may notify us by letter, or they may notify us verbally and follow up with a letter.

   We request that the operator be allowed to submit the notification to the BLM within 30 days or with the first subsequent Monthly Report of Operations (MRO). This proposal will not hamper our I&E efforts or delay the updating of MRO.

2. Onshore Order #2, Section III.A.1. and 2.a.: This section requires that a BOP shall be installed, used, tested, etc. on all wells, and that the BOP and related equipment shall meet certain minimum standards.

   We request that Onshore Order #2 be modified to allow the use of a diverter system on conductor pipe in lieu of a BOP on surface casing in areas which meet the following conditions:

   a. Shallow wells with incompetent formations and low reservoir pressure.
   b. No "additional resources" to be protected, e.g. absence of uphole mineral potential, water aquifer, etc.
   c. Thermal recovery (steamflood) areas.

   In areas meeting the above guidelines, attempting to control a steam kick in a well using a BOP is very risky and is likely to result in a steam breakout at the surface with serious health and environmental consequences. Subsequent to several meetings with industry and a review of a technical report they prepared, we began granting variance requests in California for areas which meet these conditions (Note: A copy of the report is available upon request). The regulations should acknowledge that use of a diverter on conductor pipe in lieu of a BOP on surface casing is acceptable.

   In areas meeting all of the above criteria except "c", the chance of a kick is even less and the diverter/conductor combination should also be allowed.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow the use of Diverter System on a field-wide basis (see the attached copy of the IM).

ATTACHMENT 10

3. 43CFR 3162.3-1(g): This regulation requires a 30-day posting period for APDs or Notices of Staking. In effect, this establishes a 30 day waiting period which is often much in excess of the actual processing time required. Because we have not had a single situation that we know about where a member of the public has protested or even requested to see these permits, we propose that this time period be waived.

   CURRENT STATUS: The 30 day posting period is a requirement under the 1982 Federal Oil and Gas Royalty Management Act (FOGRMA). It is obvious that it can not be changed without the approval of Congress.

4. Onshore Order #1, Section III.G.1.: This section requires that all complete APD packages be submitted in triplicate. We propose that the operator be permitted to send one complete copy (with all maps, diagrams, etc.) and one copy of only the APD form itself. The approved copy of the form will be returned to the operator, who would still be required to post a complete copy on location. The BLM PET would make only those copies (s)he needs. This would eliminate a large number of duplicate copies.

5. Onshore Order #4, IIIC.3. Oil Sampling - (take sample before or after gauging the tank, not just after). Onshore Order #4 should be modified to allow sampling before or after tank gauging. This will not have any negative impact on royalty stream.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow oil sampling before or after tank gauging (see the attached copy of the IM).

6. Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-4A: Royalty or Compensation for Oil and Gas Lost) should be modified to treat routine maintenance as an emergency giving operators approval to flare/vent gas without incurring royalty obligation. Under this waiver, operators may flare/vent gas on a temporary basis without approval and without incurring a monetary liability during the routine preventive maintenance of production handling and measurement equipment, limited to 24 hours per month. A longer period may be approved by the authorized officer, when appropriate.

   CURRENT STATUS: An Instruction Memorandum (IM) has been sent to the BLM WO to allow Routine Maintenance as an Emergency situation without incurring any royalty obligation (see the attached copy of the IM).

7. Variance from minimum standards (An operator may request the authorized officer to approve a variance from any of the minimum standards prescribed in Section III of the Onshore Order #2):

   Instead of granting incremental variance, grant regional (field based) variance.

8. Grant primacy for Inspection and Enforcement responsibilities on certain FOGRMA Low federal oil and gas leases to the California Division of Oil, Gas, and Geothermal Resources for a period not to exceed 1 year.

   If this experiment is successful (i.e., no adverse royalty impacts, no environmental degradation, etc.), after evaluation, recommendation for permanent transfer of I&E functions to the CDOGGR will be made to the WO.

   This plan has been discussed with the CDOGGR and is being finalized in the form of a BLM-CDOGGR MOU. Upon approval, this MOU will be adopted as a Standard Operating Tool (copy of the MOU attached).

9. Leasing and other waivers as requested.

3100
(CA-016.84)
JAN 18 1995

Micheal S. Sansing
Manager Regulatory Affairs
Independent Oil Producers' Agency
915 N. 10th St., Suite 20
Taft, California 93268

Dear Mr. Sansing:

Thank you for providing us with comments regarding the streamlining of Federal Oil and Gas Regulations under the Oil/Gas Performance Review.

We reviewed your comments very thoroughly and have forwarded to the Bureau of Land Management Washington Office (BLM-WO) those comments where request for waiver/re-interpretation is applicable. See attached copy. We are currently working with BLM-WO to arrive at acceptable alternatives to the identified regulations.

As we continue work with BLM-WO, we deem it necessary to share with you information regarding those comments that were not considered suitable for waiver/re-interpretation requests.

1. Application for Permit to Drill (APD)

A. The thirty (30) day waiting period for APD approval: The thirty (30) day posting period is set forth in 43 CFR 3162.3-1(g) to allow the public to comment on the proposed well. This regulation is a statutory requirement whether the public comments or not on the proposed well and would require legislative action to have it removed. Furthermore, in reviewing an APD the concerns of the BLM extend beyond the downhole portion of the APD to the surface disturbance activities and other environmental obligations under the National Environmental Policy Act (NEPA) and the Endangered Species Act. In order to properly review an APD, in accordance with the regulations, requires at least thirty (30) days.

B. Submittal of Drilling Plan and Surface Use Plan with each APD: 43 CFR 3162.3-1(e) allows the submittal of one drilling plan for a group of wells, if that group of wells is to be drilled in an area of geological and environmental similarity. Also, 43 CFR 3162.3-1(f) allows the submittal of one surface use plan for a group of wells that will be drilled in an area of environmental similarity. However, a completed APD Form (3160-3) still needs to be submitted for each well.

2. Sundry Notices

The regulations, 43 CFR 3162.3-2(a), outline what type of activities require that a Notice of Intent (NOI) be submitted for approval. A NOI is required to redrill, deepen, perform casing repairs, plug back, alter the casing, perform water shut off, recomplete in a different interval, commingle production, and/or convert to injection. Upon completion of the work, a Subsequent Report (SR) must be submitted within thirty (30) days.

ATTACHMENT 11

43 CFR 3162.3-2(b) states, unless additional surface disturbance is involved, outside the area previously disturbed, a NOI is not required for routine fracturing or acidizing jobs or recompletion in the same interval. However, a SR is required to be submitted upon completion of the work.

No NOI or SR is required [43 CFR 3162.3-2(c)] for well clean out work, routine well maintenance, pressure surveys or repair, or replacement or modification of surface production equipment, provided no additional surface disturbance is involved. However, the modification of any production, treating, or measurement facilities requires the submittal of a revised site facility diagram, pursuant to 43 CFR 3162.7-5(d), within sixty (60) days of completion of the modifications.

3. Permit Time Frames

We have modified the Conditions of Approval (COA) to reflect a one (1) year time period for all permits except those for temporary abandonment (TA) status which still require that the mechanical integrity test be performed within ninety (90) days of receipt of the NOI.

4. Well Abandonment

A. Perforating and cement squeezing: Each well abandonment that is received by this office is reviewed for conformance with the minimum abandonment standards of O.O. 2, Section G. The well file (and cement bond log, if available) is reviewed to establish the casing setting depths and the amount of cement used to cement each casing string and an indication of the quality of the cement job. From this information, an estimated cement top behind each string of casing is calculated. If there is an indication that the quality of the cement job is questionable or no cement exists behind the casing, perforating and cement squeezing would be required to protect and/or isolate usable-quality water, hydrocarbon bearing zones and valuable deposits of minerals, if present.

In the Midway Sunset Field, the most important abandonment plug is the one placed across the production casing shoe. Since the production casing is normally set in a shale break above the producing zone, this plug prevents fluid migration up the outside of the casing. Perforating and cement squeezing is generally not required in Midway Sunset. However, if the company states in the NOI that perforating and cement squeezing will be performed, the BLM will allow those operations to be performed.

B. Only Class G cement is allowed for annuli plugs: The current COA states that only API grade "neat" cement shall be used for abandonment plugs. That COA has since been modified to read:

> Cement used for abandonment plugs may be either API grade "neat" cement or 1:1 pozzolan cement. Extenders, such as bentonite, shall not be added to the cement.
>
> Silica flour or silica sand shall be added to cement exposed to static bottom hole temperatures above 230 degrees Fahrenheit to prevent heat degradation of the cement.

Furthermore, the COA regarding the use of surface pours has been modified to read:

> A cement plug, a minimum of 50' in length, shall be placed in all casing annuli which extends to the surface. Surface pours may be used to place annuli plugs provided the annuli do not contain any fluids. If the annuli contain fluids; surface pours will not be allowed. A 2:1 sand cement mixture may be used for annuli plugs.

5. Blowout Preventers (BOP)

The COA for BOPs used in the Midway Sunset Field during workover operations is shown below:

> A blowout preventer (BOP) and related equipment (BOPE) shall be installed and function tested prior to commencing work on the well. The BOP shall consist of a double-ram preventer and/or annular preventer and shall have a minimum rated working pressure of 2000 psi. Sufficient valving to allow fluid circulation at the surface shall be installed. The related equipment (BOPE) shall have the same working pressure rating as the BOP.
>
> The BOP and related equipment (BOPE) shall be inspected and function tested daily. The function test shall be recorded on the daily operator's or daily contractor's report.

Note that the COA does not require the BOP be pressure tested to full working pressure but only function tested. However, we would require the BOP to be pressure tested prior to commencing work in high pressure zones, zones where the bottom hole pressures are not known, zones where H_2S is known to exist, and in well sidetracking operations.

6. Idle Wells

The issue of idle wells was addressed in the BLM Idle Well Policy effective November 19,1993 (copy attached).

7. Surface Casing

Onshore Order No. 2, III.B. requires the use of surface casing as part of the casing program for wells drilled on Federal lands. The surface casing is an integral part of well control and for the protection of usable-quality waters.

The issue regarding the use of surface casing in the Midway Sunset Field was addressed by the Surface Casing Subcommittee in a study prepared in 1992 . Based on that study variances were granted on a case-by-case basis to each company that requested one to allow the use of conductor pipe and diverter system in the drilling of wells in portions of the Midway Sunset Field. Furthermore, we are continuing to seek BLM-WO approval to allow the use of diverter systems and conductor pipe for drilling thermal recovery (steam drive) wells on field/area wide basis.

8. **Cavity Shots**

The issue of cavity shots will remain as it has been on Federal Leases. The issue is currently being addressed by the Oil and Gas Workgroup and the Cavity Shot Subcommittee. The Workgroup has indicated its concern with the lack of progress by the Subcommittee and will work with the Subcommittee Chairman to expedite the resolution of this issue.

If you have any questions, comments, or wish to set up a meeting regarding the above items, please contact Dave Moore at (805) 391-6135.

Sincerely,

Nick Douglas

Nicholas E. Douglas
Chief, Division of Minerals

Enclosures

DMOORE:dcm 1-17-95

FOGRMA HIGH - (PRODUCTION HIGH PRIORITY = X)

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	H+S	OTH RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
1.	64184U0220	6	30S	22E	PA		A	H	L	L	L	L	L	X	L	CYMRIC
2.	8910005260	23	22S	18E	PA		A	H	L	L	L	L	L	X	L	KETTLEMAN NORTH DOME
3.	8910005600	1	9N	27W	PA		A	H	L	L	L	L	L	X	L	SOUTH CUYAMA
4.	8910154460	22	27S	28E	PA		A	H	L	L	L	L	L	X	L	MT POSO
5.	8920007090	20	20S	16E	PA		A	H	L	L	L	L	L	X	L.	COALINGA
6.	CACA28423	18	26S	21E	PA		A	H	L	L	L	L	L	X	L	LOST HILLS
7.	CALA0138800	28	1S	15W	PA		A	H	L	L	L	L	L	X	L	SAWTELLE
8.	CALA0149681	34	5N	19W	PA		A	H	L	L	L	L	L	X	L	SESPE
9.	CALA053735	31	4N	15W	PA		A	H	L	L	L	L	L	X	L	PLACERITA
10.	CALA076208	24	11N	23W	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
11.	CAS019349	35	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
12.	CAS019357	35	32S	23E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
13.	CAS019376	30	26S	21E	PA		A	H	L	L	L	L	L	X	L	LOST HILLS
14.	CAS019381A	27	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
15.	CAS019382	22	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
16.	CAS019389A	23	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
17.	CAS019392	27	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
18.	CAS021130	35	32S	23E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
19.	CAS021592	21	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET
20.	CAS021593	21	31S	22E	PA		A	H	L	L	L	L	L	X	L	MIDWAY SUNSET

FOGRMA HIGH (OPERATOR COMPLIANCE - PRIORITY = X)

COUNT	IID	SEC	TWN	INSP RNG	TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	OTH RES	OVERALL LEGL	STD	OPR PRIORITY	COMP	FIELD
1.	8910137700	4	27S	28E	PA		A	L	L	L	L	L	L	X	H	MT POSO
2.	CA010P0684C020	30	31S	22E	PA		A	L	L	L	L	L	L	X	H	MIDWAY SUNSET
3.	CACA12824A	18	26S	21E	PH		A	L	L	L	L	L	L	X	H	LOST HILLS
4.	CACA23573X	18	27S	28E	PA		A	L	L	L	L	L	L	X	H	MT POSO WEST
5.	CALA033358	7	11N	23W	PA		A	L	L	L	L	L	L	X	H	MIDWAY SUNSET
6.	CAS036952	22	27S	28E	PA		A	L	L	L	L	L	L	X	H	MT POSO

FOGRMA HIGH (OPERATOR COMPLIANCE AND LEGAL - PRIORITY = W)

COUNT	IID	SEC	TWN	INSP RNG	TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	OTH RES	LEGL	STD	OVERALL PRIORITY	OPR COMP	FIELD
1.	8920007510	31	11N	27W	PH		A	L	L	L	L	H	L	W	H	RUSSELL RANCH
2.	CACA4726*MIT	8	28S	27E	PH		A	L	L	L	L	H	L	W	L	POSO CREEK
3.	CAS042335	15	25S	18E	PH		A	L	L	L	L	H	L	W	H	DEVILS DEN
4.	CAS066405	26	29S	29E	PH		A	L	L	L	L	H	L	W	L	EDISON
5.	CAS066405A	26	29S	29E	PH		A	L	L	L	L	H	L	W	L	EDISON

HIGH PRIORITY - (ENVIRONMENTAL PRIORITY = Y)

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
1.	8910068930	29	11N	20W	PA		E	L	H	L	L	L	L	Y	L	WHEELER RIDGE
2.	8910074940	20	21S	17E	PA		E	L	H	L	L	L	L	Y	L	KETTLEMAN NORTH DOME
3.	CA010P0685C020	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
4.	CA010P0684C021	28	5N	19W	PA		E	L	H	L	L	L	L	Y	L	SESPE
5.	8920001320	30	23S	19E	PH		E	L	H	L	L	L	L	Y	L	KETTLEMAN MIDDLE DOME
6.	CACA3279	28	11N	23W	PA		C	L	H	L	L	L	L	Y	L	CIENEGA CANYON
7.	CACA4971	6	4N	20W	PH		E	L	H	L	L	L	L	Y	L	SESPE
8.	CACA12855A	10	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
9.	CACA14522	22	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
10.	CACA14522A	28	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
11.	CACA16474	10	11N	28W	PH		C	L	H	L	L	L	L	Y	L	MORALES CANYON
12.	CACA17337	23	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
13.	CACA23230	34	31S	24E	PH		C	L	H	L	L	L	L	Y	L	BUENA VISTA
14.	CACA25325	3	1N	28W	PH		C	L	H	L	L	L	L	Y	L	MORALES CANYON
15.	CACA34321	20	28S	29E			E	L	H	L	L	L	L	Y	L	ROUND MOUNTAIN
16.	CALA0123733A	29	5N	19W	PA		E	L	H	L	L	L	L	Y	L	SESPE
17.	CALA0123733	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
18.	CALA0135006	32	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
19.	CALA0149292	32	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
20.	CALA0155952	31	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
21.	CALA0155952B	31	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
22.	CALA0164691	17	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
23.	CALA0165125	33	5N	19W	PA		E	L	H	L	L	L	L	Y	L	SESPE
24.	CALA032837	8	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
25.	CALA032892	32	12N	23W	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
26.	CALA033068	32	12N	23W	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
27.	CALA033339	32	12N	23W	PA		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
28.	CALA033357	32	12N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
29.	CALA033363	32	12N	23W			C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
30.	CALA033369	18	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
31.	CALA033396B	4	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
32.	CALA033569	28	11N	20W	PA		C	L	H	L	L	L	L	Y	L	WHEELER RIDGE
33.	CALA034535	18	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
34.	CALA034641	6	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
35.	CALA034703A	17	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
36.	CALA034993A	22	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
37.	CALA036500	17	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
38.	CALA037613	4	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
39.	CALA037815A	4	4N	18W	PH		E	L	H	L	L	L	L	Y	L	TEMESCAL
40.	CALA037880B	32	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
41.	CALA043561A	6	4N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
42.	CALA043561B	6	4N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
43.	CALA048529	8	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
44.	CALA048843	8	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
45.	CALA055052	19	3N	20W	PA		C	L	H	L	L	L	L	Y	L	SOUTH MOUNTAIN
46.	CALA055465A	17	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
47.	CALA055472	23	11N	23W	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
48.	CALA071446	32	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
49.	CALA087942	25	11N	28W	PA		C	L	H	L	L	L	L	Y	L	RUSSELL RANCH
50.	CALA088009	23	11N	28W	PH		E	L	H	L	L	L	L	Y	L	RUSSELL RANCH
51.	CALA088645A	26	11N	24W	PH		C	L	H	L	L	L	L	Y	L	CAPITOLA PARK
52.	CALA088968	11	11N	28W			E	L	H	L	L	L	L	Y	L	MORALES CANYON
53.	CARI2298	34	5N	19W	PA		E	L	H	L	L	L	L	Y	L	SESPE
54.	CARI4476	2	3N	19W	PH		A	L	H	L	L	L	L	Y	L	CHAFFEE CANYON
55.	CARI02337	30	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
56.	CARI06307	33	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
57.	CAS019225	4	32S	23E	PH		E	L	H	L	L	L	L	Y	L	POSO CREEK

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
58.	CAS019272A	10	27S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
59.	CAS019299	28	27S	27E	PH		C	L	H	L	L	L	L	Y	L	POSO CREEK
60.	CAS019329B	2	29S	20E	PH		E	L	H	L	L	L	L	Y	L	CHICO MARTINEZ
61.	CAS019329C	1	29S	20E	PH		E	L	H	L	L	L	L	Y	L	CHICO MARTINEZ
62.	CAS019329D	7	29S	20E	PA		C	L	H	L	L	L	L	Y	L	CHICO MARTINEZ
63.	CAS019347	32	31S	23E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
64.	CAS019348	32	31S	23E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
65.	CAS019350	14	28S	27E	PA		C	L	H	L	L	L	L	Y	L	KERN FRONT
66.	CAS019353	24	31S	22E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
67.	CAS019360	28	32S	24E	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
68.	CAS019369	12	31S	22E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
69.	CAS019372	24	31S	22E	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
70.	CAS019373	0	31S	22E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
71.	CAS019378B	24	31S	23E	PA		C	L	H	L	L	L	L	Y	L	BUENA VISTA
72.	CAS019384B	24	31S	22E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
73.	CAS019436A	32	27S	27E	PH		E	L	H	L	L	L	L	Y	L	POSO CREEK
74.	CAS019453A	22	28S	27E	PA		C	L	H	L	L	L	L	Y	L	KERN FRONT
75.	CAS019453B	22	28S	27E	PA		E	L	H	L	L	L	L	Y	L	KERN FRONT
76.	CAS019636	2	31S	22E	PA		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
77.	CAS019642	8	30S	22E	PH		E	L	H	L	L	L	L	Y	L	CYMRIC
78.	CAS019806A	26	27S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
79.	CAS019850B	14	27S	27E	PH		C	L	H	L	L	L	L	Y	L	POSO CREEK
80.	CAS019850C	14	27S	27E	PH		E	L	H	L	L	L	L	Y	L	POSO CREEK
81.	CAS019927	22	28S	27E	PA		E	L	H	L	L	L	L	Y	L	KERN FRONT
82.	CAS021030	24	31S	22E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
83.	CAS021031	32	31S	23E	PH		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
84.	CAS021073A	10	27S	27E	PH		C	L	H	L	L	L	L	Y	L	POSO CREEK
85.	CAS021579A	28	27S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
86.	CAS021872	24	31S	22E	PA		E	L	H	L	L	L	L	Y	L	MIDWAY SUSNET
87.	CAS022066	2	31S	22E	PA		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
88.	CAS022384	14	28S	27E	PA		E	L	H	L	L	L	L	Y	L	KERN FRONT
89.	CAS022385	22	28S	27E	PA		C	L	H	L	L	L	L	Y	L	KERN FRONT
90.	CAS022845	22	28S	27E	PA		E	L	H	L	L	L	L	Y	L	KERN FRONT
91.	CAS025613	28	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
92.	CAS026176	28	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
93.	CAS027043	28	26S	28E	PA		C	L	H	L	L	L	L	Y	L	MT POSO
94.	CAS028949A	10	28S	27E	PH		E	L	H	L	L	L	L	Y	L	KERN FRONT

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
95.	CAS033542	34	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
96.	CAS034863	14	28S	28E	PH		C	L	H	L	L	L	L	Y	L	ROUND MOUNTAIN
97.	CAS036146	14	28S	28E	PH		C	L	H	L	L	L	L	Y	L	ROUND MOUNTAIN
98.	CAS036600	12	23S	18E	PH		E	L	H	L	L	L	L	Y	L	KETTLEMAN NORTH DOME
99.	CAS037269	14	27S	27E	PH		C	L	H	L	L	L	L	Y	L	POSO CREEK
100.	CAS037706	10	28S	27E	PH		C	L	H	L	L	L	L	Y	L	KERN FRONT
101.	CAS040666	12	29S	28E	PH		C	L	H	L	L	L	L	Y	L	KERN BLUFF
102.	CAS042181C	10	28S	27E	PH		C	L	H	L	L	L	L	Y	L	KERN FRONT
103.	CAS051077	10	30S	22E			E	L	H	L	L	L	L	Y	L	RAILROAD GAP
104.	CAS064410	22	30S	22E	PH		C	L	H	L	L	L	L	Y	L	ASPHALTO
105.	CAS064668	6	30S	22E	PA		C	L	H	L	L	L	L	Y	L	CYMRIC
106.	CAS064669	32	31S	23E	PH		E	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
107.	CAS071813	26	30S	22E	PA		C	L	H	L	L	L	L	Y	L	ASPHALTO
108.	CAS071813A	26	30S	22E	PA		C	L	H	L	L	L	L	Y	L	MIDWAY SUNSET
109.	CAS074199	14	27S	27E	PH		E	L	H	L	L	L	L	Y	L	POSO CREEK
110.	CAS079889	34	26S	28E	PH		C	L	H	L	L	L	L	Y	L	MT POSO
111.	CAS080291	12	20S	15E	PH		C	L	H	L	L	L	L	Y	L	COALINGA
112.	CAS4295	30	29S	22E	PA		E	L	H	L	L	L	L	Y	L	CAL CANAL
113.	P27	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
114.	P35	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
115.	P42	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
116.	P43	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
117.	P44	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE
118.	P45	29	5N	19W	PH		E	L	H	L	L	L	L	Y	L	SESPE

FOGRMA LOW (PRIORITY = Z)

COUNT	IID	SEC	TWN	RNG	TYPE	INSP ACTIVITY	FREQ	PROD	ENVI	H+S	OTH RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
1.	140800017290	21	3S	6E	PH		E	L	L	L	L	L	L	Z	L	VERNALIS
2.	8910086100	36	5N	17W	PH		E	L	L	L	L	L	L	Z	L	CASTAIC HILLS
3.	8910087300	2	20S	15E	PH		E	L	L	L	L	L	L	Z	L	COALINGA
4.	8910089050	26	21S	15E	PH		E	L	L	L	L	L	L	Z	L	JACALITOS
5.	8910089320	18	30S	22E	PA		E	L	L	L	L	L	L	Z	L	MCKITTRICK
6.	8910089350	1	5S	13W			E	L	L	L	L	L	L	Z	L	LONG BEACH
7.	8910089770	29	3N	16W	PA		E	L	L	L	L	L	L	Z	L	ALISO CANYON
8.	8910123570	32	5N	17W	PA		E	L	L	L	L	L	L	Z	L	OAK CANYON
9.	8910137620	33	22S	10E			E	L	L	L	L	L	L	Z	L	SAN ARDO
10.	8910137660	25	30S	20E	PH		E	L	L	L	L	L	L	Z	L	TEMBLOR
11.	8910196470	34	28S	27E	PA		E	L	L	L	L	L	L	Z	L	KERN FRONT
12.	CACA760	8	4N	21W	PH		E	L	L	L	L	L	L	Z	L	SILVER THREAD
13.	CACA2602	18	28S	28E	PH		E	L	L	L	L	L	L	Z	L	KERN RIVER
14.	CACA2855	21	25S	20E	PH		E	L	L	L	L	L	L	Z	L	LOST HILLS
15.	CACA4322	12	32S	22E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
16.	CACA5285	32	32S	23E			E	L	L	L	L	L	L	Z	L	GONYER ANTICLINE
17.	CACA4724	22	27S	23E	PA		E	L	L	L	L	L	L	Z	L	SEMI TROPIC
18.	CACA4725	28	27S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
19.	CACA4726*BER	8	28S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
20.	CACA4728	6	27S	19E			E	L	L	L	L	L	L	Z	L	SHALE POINT
21.	CACA4969	1	3N	16W	PH		E	L	L	L	L	L	L	Z	L	PLACERITA
22.	CACA4978	8	11N	23W	PH		E	L	L	L	L	L	L	Z	L	SHALE POINT
23.	CACA5764	10	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
24.	CACA9397	27	4N	19W	PH		E	L	L	L	L	L	L	Z	L	WILDCAT
25.	CACA10813	32	30S	22E	PA		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
26.	CACA14523	12	29S	28E	PA		E	L	L	L	L	L	L	Z	L	KERN BLUFF
27.	CACA16210	24	14N	2E			E	L	L	L	L	L	L	Z	L	TISDALE EAST
28.	CACA16343	34	11N	20W			E	L	L	L	L	L	L	Z	L	WILDCAT
29.	CACA16788	10	11N	24W			E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
30.	CACA17433	4	32S	41E			E	L	L	L	L	L	L	Z	L	WILDCAT
31.	CACA17329	8	7S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
32.	CACA17346	3	4N	1E	PH		E	L	L	L	L	L	L	Z	L	DENVERTON CREEK
33.	CACA18789	23	31S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
34.	CACA20035	25	11N	24W			E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	OTH H+S	RES	OTH LEGL	OVERALL STD	OPR PRIORITY	COMP	FIELD
35.	CACA20863	8	31S	25E			E	L	L	L	L	L	L	Z	L	WILCAT
36.	CACA20962	3	11N	2W			E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
37.	CACA22184	28	21S	15E	PH		E	L	L	L	L	L	L	Z	L	JACALITOS
38.	CACA22332	28	5N	19W	PH		E	L	L	L	L	L	L	Z	L	SESPE
39.	CACA26471	26	11N	20W			E	L	L	L	L	L	L	Z	L	WILDCAT
40.	CACA26674	36	4N	2E	PH		C	L	L	L	L	L	L	Z	L	RIO VISTA
41.	CACA26704	23	14N	2E	PH		E	L	L	L	L	L	L	Z	L	TISDALE EAST
42.	CACA31860X	15	29S	29E	PH		E	L	L	L	L	L	L	Z	L	ANT HILL
43.	CACA32208	22	29S	29E	PH		E	L	L	L	L	L	L	Z	L	ANT HILL
44.	CACA32266	7	6N	2E	PH		E	L	L	L	L	L	L	Z	L	BUNKER GAS
45.	CACA34107	35	12N	23W			E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
46.	CACA34219X	18	28S	29E	PA		E	L	L	L	L	L	L	Z	L	ROUND MOUNTAIN
47.	CACA34322	18	28S	29E			E	L	L	L	L	L	L	Z	L	ROUND MOUNTAIN
48.	CALA032952	4	11N	23W	PA		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
49.	CALA033054	4	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
50.	CALA034703C	17	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
51.	CALA035748	10	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
52.	CALA035883	10	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
53.	CALA037880A	29	5N	19W	PH		E	L	L	L	L	L	L	Z	L	SESPE
54.	CALA040679	7	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
55.	CALA048879	8	11N	23W	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
56.	CALA052994	29	3N	16W	PH		E	L	L	L	L	L	L	Z	L	ALISO CANYON
57.	CALA054899	31	5N	16W	PH		E	L	L	L	L	L	L	Z	L	TAPIA
58.	CALA055490	19	3N	20W	PA		E	L	L	L	L	L	L	Z	L	SOUTH MOUNTAIN
59.	CALA055490A	24	3N	21W	PA		E	L	L	L	L	L	L	Z	L	SOUTH MOUNTAIN
60.	CALA055656	20	3N	20W	PA		E	L	L	L	L	L	L	Z	L	SOUTH MOUNTAIN
61.	CALA056697	13	4N	18W	PH		E	L	L	L	L	L	L	Z	L	RAMONA
62.	CALA064401	35	5N	17W	PH		E	L	L	L	L	L	L	Z	L	CASTAIC HILLS
63.	CALA064618	14	4N	18W	PH		E	L	L	L	L	L	L	Z	L	HOLSER
64.	CALA071300	31	4N	15W	PH		E	L	L	L	L	L	L	Z	L	PLACERITA
65.	CALA077925	18	4N	20W			E	L	L	L	L	L	L	Z	L	TIMBER CANYON
66.	CALA084342	36	5N	17W	PH		E	L	L	L	L	L	L	Z	L	TAPIA
67.	CALA087651A	6	9N	26W			E	L	L	L	L	L	L	Z	L	SOUTH CUYAMA
68.	CALA089383	4	8N	32W	PH		E	L	L	L	L	L	L	Z	L	CAT CANYON
69.	CARI02347	21	3S	7W			E	L	L	L	L	L	L	Z	L	PRADO CORONA
70.	CARI06017	20	3N	16W	PH		E	L	L	L	L	L	L	Z	L	ALISO CANYON

COUNT	IID	SEC	TWN	RNG	INSP TYPE	ACTIVITY	FREQ	PROD	ENVI	H+S	OTH RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
71.	CARI06089	8	4N	34W			E	L	L	L	L	L	L	Z	L	POINT CONCEPTION
72.	CARI07002	8	3N	24W	PH		E	L	L	L	L	L	L	Z	L	RINCON
73.	CARI07003	26	11N	24W	PH		E	L	L	L	L	L	L	Z	L	CAPITOLA PARK
74.	CARI07004	17	3S	7W			E	L	L	L	L	L	L	Z	L	PRADO CORONA
75.	CARI3536	8	4N	21W	PH		E	L	L	L	L	L	L	Z	L	SILVER THREAD
76.	CARI4360	19	4N	17W	PH		E	L	L	L	L	L	L	Z	L	WILCAT
77.	CAS019314	10	31S	22E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
78.	CAS019314A	10	31S	22E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
79.	CAS019364A•CHE	27	32S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
80.	CAS019364A•MCF	27	32S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
81.	CAS019364C	27	32S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
82.	CAS019375	25	31S	22E	PA		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
83.	CAS019381B	35	31S	22E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
84.	CAS019387	7	32S	23E	PA		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
85.	CAS019395	20	32S	24E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
86.	CAS019413	18	30S	22E	PA		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
87.	CAS019414A	30	30S	22E	PA		E	L	L	L	L	L	L	Z	L	MCKITTRICK
88.	CAS019506D	20	19S	15E	PH		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
89.	CAS019746B	20	26S	28E	PH		E	L	L	L	L	L	L	Z	L	COALINGA
90.	CAS019827	14	28S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
91.	CAS019832A	22	27S	28E	PH		E	L	L	L	L	L	L	Z	L	ROUND MOUNTAIN
92.	CAS021129	4	28S	27E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
93.	CAS021579C	28	27S	28E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
94.	CAS021579D	28	27S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
95.	CAS023382B	20	20S	16E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
96.	CAS026674	34	26S	28E	PH		E	L	L	L	L	L	L	Z	L	PLEASANT VALLEY
97.	CAS031022A	22	27S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
98.	CAS031036	28	26S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
99.	CAS031042	28	26S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
100.	CAS032076	20	26S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
101.	CAS032722	9	31S	22E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
102.	CAS034054E	7	30S	21E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
103.	CAS034554A	28	16S	11E	PH		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
104.	CAS035506	29	30S	22E	PH		E	L	L	L	L	L	L	Z	L	VALLECITOS
105.	CAS035693	28	16S	12E	PH		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
106.	CAS036138	24	30S	21E	PA		E	L	L	L	L	L	L	Z	L	VALLECITOS
														Z	L	BELGIAN ANTICLINE

INSP OTH OTH OVERALL OPR

COUNT	IID	SEC	TWN	RNG	TYPE	ACTIVITY	FREQ	PROD	ENVI	H+S	RES	LEGL	STD	PRIORITY	COMP	FIELD
107.	CAS036241	14	28S	28E	PH		E	L	L	L	L	L	L	Z	L	ROUND MOUNTAIN
108.	CAS036224	29	25S	20E	PA		E	L	L	L	L	L	L	Z	L	LOST HILLS
109.	CAS036249C	12	29S	28E	PH		E	L	L	L	L	L	L	Z	L	KERN BLUFF
110.	CAS036490	30	32S	24E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
111.	CAS036824	20	26S	21E	PA		E	L	L	L	L	L	L	Z	L	LOST HILLS
112.	CAS037105	10	28S	27E	PA		E	L	L	L	L	L	L	Z	L	KERN FRONT
113.	CAS037494	24	28S	27E	PH		E	L	L	L	L	L	L	Z	L	KERN RIVER
114.	CAS037935	10	28S	27E	PA		E	L	L	L	L	L	L	Z	L	KERN FRONT
115.	CAS037936	29	30S	22E	PA		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
116.	CAS038913	4	28S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
117.	CAS039775	23	30S	21E	PA		E	L	L	L	L	L	L	Z	L	BELGIAN ANTICLINE
118.	CAS042181B	10	28S	27E	PH		E	L	L	L	L	L	L	Z	L	KERN FRONT
119.	CAS042537	29	25S	19E	PH		E	L	L	L	L	L	L	Z	L	DEVILS DEN
120.	CAS042853	34	26S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
121.	CAS043236*SAN	15	32S	23E	PA		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
122.	CAS043236*WTW	15	32S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
123.	CAS044167	3	5N	2E	PH		E	L	L	L	L	L	L	Z	L	MAINE PRAIRE
124.	CAS045775	4	28S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
125.	CAS051211A	18	28S	28E	PH		E	L	L	L	L	L	L	Z	L	KERN RIVER
126.	CAS051491	20	27S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
127.	CAS056732	20	28S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
128.	CAS058881	20	27S	27E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
129.	CAS064676	18	28S	28E	PH		E	L	L	L	L	L	L	Z	L	KERN RIVER
130.	CAS066175	7	24S	18E	PH		E	L	L	L	L	L	L	Z	L	PYRAMID HILLS
131.	CAS068054B	32	26S	28E	PH		E	L	L	L	L	L	L	Z	L	MT POSO
132.	CAS1445	26	21S	15E	PH		E	L	L	L	L	L	L	Z	L	JACALITOS
133.	CAS1711	22	27S	28E	PH		E	L	L	L	L	L	L	Z	L	POSO CREEK
134.	CAS3963	30	26S	21E	PA		E	L	L	L	L	L	L	Z	L	LOST HILLS
135.	CAS4233A	34	27S	27E	PH		E	L	L	L	L	L	L	Z	L	KERN FRONT
136.	CAS4741	2	30S	21E	PH		E	L	L	L	L	L	L	Z	L	CYMRIC
137.	CAS4927	18	28S	28E	PH		E	L	L	L	L	L	L	Z	L	KERN RIVER
138.	CAS5250	17	25S	20E	PH		E	L	L	L	L	L	L	Z	L	LOST HILLS
139.	CAS5505	20	32S	23E	PH		E	L	L	L	L	L	L	Z	L	MIDWAY SUNSET
140.	CAS5672	32	5N	17W	PA		E	L	L	L	L	L	L	Z	L	OAK CANYON
141.	P13	5	22N	3W	PH		E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE

COUNT	IID	SEC	TWN	INSP RNG	TYPE	ACTIVITY	FREQ	PROD	ENVI	H+S	OTH RES	LEGL	OTH STD	OVERALL PRIORITY	OPR COMP	FIELD
142.	P14	6	22N	3W	PH		E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
143.	P15	28	1S	15W	PA		E	L	L	L	L	L	L	Z	L	SAWTELLE
144.	P23	5	22N	3W	PH		E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
145.	P24	8	22N	3W			E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
146.	P26	4	22N	3W	PH		E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
147.	P28	26	2N	2E	PH		E	L	L	L	L	L	L	Z	L	RIVER BREAK GAS
148.	P30	35	2N	2E			E	L	L	L	L	L	L	Z	L	RIVERBREAK GAS
149.	WC2	5	22N	3W			E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
150.	WC5	29	2N	3E	PH		E	L	L	L	L	L	L	Z	L	DUTCH SLOUGH
151.	WC6	4	22N	3W	PH		E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
152.	WC7	4	22N	3W			E	L	L	L	L	L	L	Z	L	MALTON BLACK BUTTE
153.	WC8	16	3N	2E	PH		E	L	L	L	L	L	L	Z	L	DECKER ISLAND

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